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TODAY:

Putting the Baggage Before Flight Safety

Airline Crews Want Limits on Carry-Ons

By Don Phillips
Washington Post Service

WASHINGTON — When the landing gear of US Airways Flight 479 collapsed last week at Charlotte, North Carolina, and the crew ordered an evacuation down the emergency slides, almost half the passengers reacted by grabbing for their carry-on luggage.

According to safety investigators and some of those aboard the aircraft, flight attendants were hard pressed to usher everyone off without injury. One man grabbed two bags. Another struggled with a large bag. A young mother was deterred from taking a diaper bag down the slide by flight attendants who told her she needed two hands to hold her baby.

The Flight 479 evacuation dramatized one of aviation's most sensitive safety issues: whether tougher limits should be placed on the luggage that passengers carry to their seats. Flight attendants complain that passengers are bringing too much baggage aboard, and more than one gate employee has become involved in physical struggles with passengers who were told they could not bring certain items into the cabin. Injuries from bags tumbling from overhead bins are occurring more frequently.

The issue also is an economic one that airlines are struggling to resolve without alienating customers. Next month, for example, United Airlines will begin limiting discount-fare passengers at the Des Moines, Iowa, airport to one carry-on bag, while allowing full-fare travelers two.

The Federal Aviation Administration is under increasing pressure to help solve the problem. The Association of Flight Attendants has demanded new regulations, and American Airlines joined its flight attendant and pilot unions Wednesday in asking for uniform rules throughout the industry.

Patricia Friend, international president of the Association of Flight Attendants, opened a conference on the issue Wednesday by saying that her members were subjected to "disruption in the cabin" and "physical and verbal abuse" because of "the lack of uniformity in carriers' programs."

"The public is ignorant, and we've made them that way," said Linda Romano, a 28-year veteran. "Are we safety professionals or Coke-and-peanut toters?"

In 1988 the Federal Aviation Administration issued a rule requiring airlines to adopt a carry-on policy and to have it approved by the agency. Airlines must require that all bags go through scanners and be stowed before takeoff, but no limits were set on the number or size of bags.

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U.S. Sends a 2d Carrier to the Gulf

Ship Will Be Ready for 'Any Contingency,' Clinton Says

Compiled by Our Staff From Dispatches

WASHINGTON — President Bill Clinton said Friday that he had ordered the aircraft carrier George Washington to the Gulf to be prepared "for any contingency" in the dispute with Iraq over United Nations weapons inspections.

Mr. Clinton said that the arms monitoring, which has been suspended because of the expulsion of U.S. inspectors and the UN decision to withdraw the rest of the team in protest, was important to world safety and "must be allowed to continue."

In the major buildup of U.S. military forces in the Gulf, the George Washington is expected to join the carrier Nimitz there in a week.

The Pentagon also is considering sending F-117 stealth fighters, used for precision-guided air strikes, and other warplanes, U.S. officials said.

"It's too dangerous an issue, it would set too powerful a precedent about the impotence of the United Nations if we didn't proceed on this," the president said, raising the stakes in the showdown with President Saddam Hussein over the inspection of Iraqi sites for manufacturing weapons.

Mr. Clinton said the world community had to act "in the face of what I consider to be one of three or four most significant security threats that all of our people will face in the next whole generation, this weapons-of-mass-destruction proliferation."

"We've got to stop it," he said.

The second carrier doubles the number of warplanes available, putting some 100 combat aircraft and 50 support aircraft in Gulf waters.

The president refused to speculate about options but said, "We have to steel ourselves and be determined that the will of the international community, expressed in the United Nations Security Council resolutions, will have to prevail."

Iraq called on the Security Council on Friday to stop reiterating "American rhetoric" and start serious dialogue with it.

"We see sincerely that it is time for the members of the Security Council to stop reiteration of American rhetoric," Foreign Minister Mohammed Said Sahhaf said in Baghdad. "We think it will be useful, proper and logical to discuss how to start real, serious dialogue with Iraq."

Britain, meanwhile, ordered the aircraft carrier Invincible to Gibraltar from the Caribbean. The British also put "a number of fighter-bomber aircraft" on alert, said the British ambassador to the United States, Christopher Meyer.

Discussing the mission of the carriers, Secretary of State Madeleine Albright said Friday in London: "Our strategy is to combine intensive diplomacy with a robust military presence in the Gulf, which we are convinced is the best way to convince Saddam Hussein to reverse course."

U.S. officials traveling with Mrs. Albright said the new deployments of ships and planes did not augur immediate military action.

Speaking earlier in Edinburgh after a meeting with the British foreign secretary, Robin Cook, Mrs. Albright said that both countries agreed that they would work to speed up the delivery of food and medicine to Iraq, in exchange for limited oil sales under UN Resolution 986, if Mr. Saddam displayed a willingness to comply with other UN resolutions.

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Chris Bacon/Agence France-Presse

Secretary of State Madeleine Albright and Foreign Secretary Robin Cook buttoning up on a brisk afternoon in Edinburgh shortly after the two met indoors for talks on Friday.

U.S. Options Trickier, This Time

Political Goals and Type of Target Limit Military Action

By Bradley Graham
Washington Post Service

WASHINGTON — While U.S.-led military action has succeeded before in thwarting President Saddam Hussein of Iraq when diplomacy has failed, the challenges raised by Mr. Saddam's defiance this time make the use of force more problematic, according to administration officials and outside specialists.

Amid signs of growing public and congressional support for military force to resolve the latest standoff, defense experts cautioned that the extent of armed action required this time could differ significantly from the relatively quick actions taken to compel Iraq's compliance with the terms that ended the 1991 Gulf War.

For one thing, the dilemma now is not as straightforward as Iraq's massing of conventional forces along a foreign border in 1994 and 1995. The United Nations in this case is attempting to uncover and dismantle Iraq's clandestine biological and chemical weapons programs. As a military matter, the storage and production sites for these agents are more difficult to locate and destroy than such past U.S. targets as Iraqi troop formations, missile launchers and air defense systems.

For another, the Clinton administration's stated objective is not simply to punish Iraq for something it has done, as was the case after the 1993 alleged assassination plot on former President George Bush or last year's assault on Kurdish enclaves in northern Iraq, both of which drew U.S. air attacks. Instead, the aim is to push Mr. Saddam into reversing course and dropping his interference with United Nations weapons inspections.

"The purpose would not be punitive but coercive," said Richard Haas, a senior National Security Council official under Mr. Bush. "You would be using force to

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Amid Apartheid Apologies, Not Everyone Says 'Sorry'

Rights Panel Hears Business Leaders Talk of Past

By Donald G. McNeil Jr.
New York Times Service

JOHANNESBURG — South Africa was treated to a remarkable sight this past week: the chief executives of the nation's biggest corporations and banks lining up to apologize for their actions over the last century.

The venue is the Truth and Reconciliation Commission's hearings into the ways business supported apartheid or violated human rights during the era of white rule. Since the commission's attention is usually focused on grieving families and police torturers, the parade of men in sober but beautifully cut suits was unusual. Also atypically, their submissions were meticulously prepared, and not one witness wept.

Mining executives admitted that exploiting racial and tribal divisions helped cut labor costs. Afrikaner executives admitted that close association with government officials won them contracts. However, all concluded that the economy would have been far stronger if apartheid had never existed because it brought the world's wrath down on them.

Not everyone said "sorry." Some sounded more sincere, some less, and there was some cattiness in the halls as captains of industry quietly graded each others' performances. In general, one mining executive observed, the new bosses of government-controlled institutions like the Land and Agricultural Bank and the Eskom Ltd. electric utility offered the most heartfelt apologies for acts carried out by long-gone predecessors.

The commission, set up to look into atrocities of the past, has the power to grant amnesty to those who confess all if it rules that criminal acts had a political motive.

No unsolved murders were elucidated, but the executives were specific in detailing some things they regretted. South African National Life Assurance Co., known as Sanlam, expressed sorrow that the killing 20 years ago of the anti-apartheid hero Steven Biko took place in a building it had rented to the police. Anglo-American Corp., the huge conglomerate founded on gold mining, expressed regret that it never built family housing for more than 1 percent of its black miners. However, its executives were careful to place that in context: Anglo-American, they said,

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Crisis Tests 'Asian Values'

Market Turmoil Fuels Debate Over Democracy

By Michael Richardson
International Herald Tribune

NEWS ANALYSIS

SINGAPORE — Southeast Asia's financial turmoil is providing an acid test for a question hotly debated between East and West: Are liberal democracies, or more authoritarian systems of government, better for sustaining economic growth in developing countries?

"Until Thailand emerged this week with what seems like a somewhat better government, I would have judged that the authoritarian camp had a slightly stronger case so far," a Western ambassador said Friday. "But now I would say that the argument is finely balanced and the jury is still out."

The four Southeast Asian economies worst affected by the plunge in the value of their currencies and stock markets — Thailand, Indonesia, the Philippines and Malaysia — fall evenly between the liberal and strong government camps.

Before the economic crisis, a sometimes bitter debate raged in Asia, and between Asian authoritarian leaders and their Western liberal critics, about whether Asia had certain unique cultural values to help power its rapid economic growth, and which political systems could best sustain that growth.

Yet in Southeast Asia, the financial turmoil has struck economies managed by liberal and strong-arm governments alike, leading officials, diplomats and economists wondering which system will prove best able to engineer recovery.

"Asian values basically meant democratic deficits and economic surpluses," said David Roche, managing

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Susanna Tak-ahashi/Reuters

Tokyo Stocks Plunge

A stock trader slumping Friday as prices on the Tokyo exchange fell to a two-and-a-half-year low. Page 13.

UN Chief Assails U.S. Congress For Killing Plan To Pay Dues

By Barbara Crossette
New York Times Service

UNITED NATIONS, New York — Secretary-General Kofi Annan assailed Congress and the anti-abortion lobby in the United States on Friday for killing a plan to pay the United Nations more than $1 billion in back dues, calling the vote "unreasonable and regrettable."

Mr. Annan, in unusually sharp criticism, also noted that the action, which officials say will push the organization in coming months into its most serious financial crisis, came in the same week that Washington was using the Security Council to garner support for American policy on Iraq.

At a news conference, Mr. Annan said that, while he did not feel personally betrayed by Washington, "If there is a betrayal it is a betrayal of the international community and the United Nations system.

"It is both unreasonable and regrettable that the legislation was held hostage to the entirely unrelated domestic policies of abortion," he continued, "I am disappointed and concerned."

On Thursday, both houses of Congress voted against a plan negotiated with the Clinton administration that would have authorized overdue payments to the United Nations and additional money to the International Monetary Fund for dealing with international financial crises.

"We're supposed to be the leader of the world, and we shouldn't be doing things like this," said David Birenbaum, a former American diplomat who is chairman of the Emergency Coalition for U.S. Financial Support of the United Nations, a lobbying group that includes all of the nation's former secretaries of state on its board.

Mr. Birenbaum, who was the American representative on budgetary matters at the UN mission of the United States until last year, said that the vote in Congress revealed more about intra-Republican rivalries and legislative self-indulgence than it did about the

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AGENDA

Jury Seeks Death In CIA Killings

FAIRFAX, Virginia (Reuters) — A jury recommended Friday that Mir Aimal Kasi be sentenced to death for murder in the 1993 shooting incident outside CIA headquarters that killed two employees.

The jury deliberated less than seven hours. The judge, who is allowed to reduce the penalty, set formal sentencing for Jan. 23.

The Dollar

New York	Friday @ 4 P.M.	previous close
DM	1.7284	1.7258
Pound	1.6927	1.698
Yen	125.335	125.675
FF	5.786	5.7785

The Dow

	Friday close	previous close
+84.72	7572.48	7487.76

S&P 500

change	Friday @ 4 P.M.	previous close
+11.69	928.35	916.66

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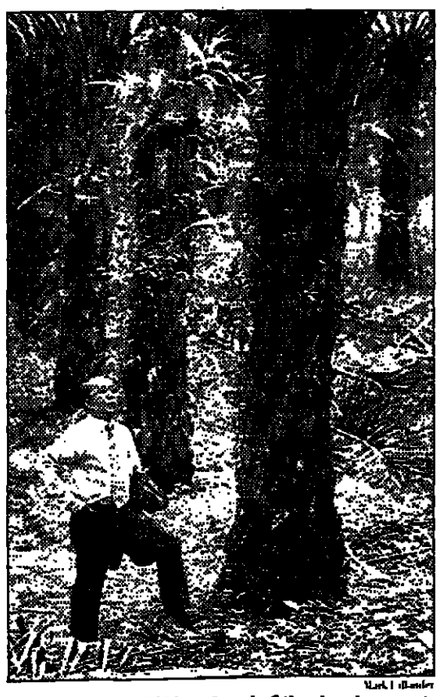
Cameroon	1,600 CFA	Qatar	10.00 QR
Egypt	£E 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10 SR
Gabon	1,100 CFA	Senegal	1,100 CFA
Italy	2,800 Lire	Spain	225 Ptas
Ivory Coast	1,250 CFA	Tunisia	1,250 Din
Jordan	1.250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. Mil. (Eur.)	$1.20



Mark Elsender

Mohammed Arif Nun, head of the development.

Malaysia's Wired 'Supercorridor'

New Silicon Valley Proceeds Despite the Region's Problems

By Thomas Fuller
International Herald Tribune

CYBERJAYA, Malaysia — When a baby cobra slithered into the offices of Multimedia Development Corp. a few weeks ago, the office workers jumped up and down and screamed, "Kill it! Kill it!"

With the reptile darting around the room, it was time for executive action. Mohammed Arif Nun, the company's chief operating officer, carried the animal outside with a stick and piece of string, hardly the typical tools of a company charged with a $10 billion plan to push Malaysia into the information age.

Then again, Cyberjaya is not your typical high-tech workplace.

Outside Mr. Arif's window, neat rows of oil palms cover the surrounding hills, and manicured flower beds decorate the courtyard. Mr. Arif's office sits in the heart of what Malaysia calls the Multimedia Supercorridor, an ambitious plan to transform rubber and palm-oil plantations into Southeast Asia's Silicon Valley.

The idea: a bucolic alternative to the high-technology offices in developing Asia that are often surrounded by traffic jams and choking car fumes, in a corporate park three times the size of the United States' capital city.

It will mix, its promoters say, a state-of-the-art communications network with untouched wetlands and trees. Wired magazine says the project has the potential to become the "planet's most seductive technopark."

Malaysia has promised a network of high-bandwidth fiber-optic lines that will link houses, schools and shopping malls within the zone.

In Cyberjaya, a so-called intelligent city at the center of the supercorridor, planners are building a multimedia university, tropical promenades and sports centers. Also notable is what planners are not constructing: Two-thirds of the zone will be left undeveloped.

Promising 10-year tax exemptions and other financial incentives, Malaysia is luring the world's biggest software companies, computer makers and data-processing firms to the Supercorridor.

The corridor already has support from big names in the computer industry. Microsoft Corp. has moved its regional headquarters to Kuala Lumpur from Singapore, and Sun Microsystems Inc., Oracle Corp. and Nippon Telegraph & Telephone Corp. have announced that they will invest in the project, although it is too early to know exactly how much.

In planning the corridor, Malaysia has sought the input of the Silicon Valley elite by creating an advisory panel made up people such as the Microsoft chief, Bill Gates, and Sun's chairman, Scott McNealy.

A question mark for the project, as with nearly every business venture in Malaysia today, is what effect the

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Taking On Global Trade Inequalities

Q & A / **David Aaron**

A principal aspect of globalization, harmonization of the international regulatory climate has been a goal for David Aaron's during his six years as chief U.S. delegate to the Organization of Economic Cooperation and Development in Paris. Now the new undersecretary of commerce for international trade, Mr. Aaron spoke with Joseph Fitchett of the Herald Tribune about the administration's trade agenda.

Q. Does the congressional revolt over "fast-track" reflect disaffection with free trade?

A. It's more an expression of frustration about how hard it is to pry open other countries' economies. We have the world's most open economy, so we don't have that much to give away. Considering how few cards and what little leverage we had, we've done well, signing over 200 trade agreements in four years. One of the things I look forward to doing in my new position is emphasizing compliance with those accords. We've got to make sure our partners are living up to their commitments, particularly as they affect our ability to export. It's going to be my top priority. There's a lot of room there to make up on the trade deficit.

Q. Meanwhile, what other initiatives rank at the top of your priorities?

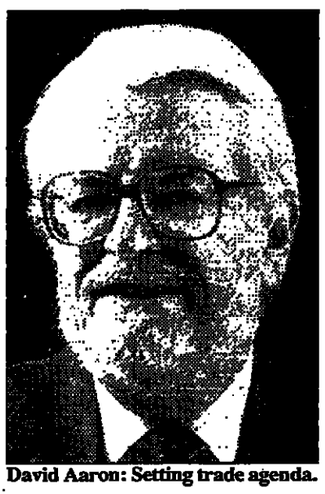
A. We have a critical multilateral negotiation coming up next week on a binding convention that would criminalize bribery of public officials in international transaction. The principle has already been approved by governments, but we've run into difficulties because Europeans have taken the position that politicians should be exempted — in effect, that it would be O.K. to pass bribes by parliamentarians or political parties whereas it would be a crime to bribe an official. We find this peculiar, to put it mildly. This loophole would make corruption safe for future Marcoses and Mobutus — and tax deductible for donors.

Q. What other trend have you spent the most time on?

A. Electronic commerce is a truly revolutionary change. It should be called electronic business because computer transmissions, culminating in the Internet, affect every aspect of business from design to selling. There is almost no issue in our lives that is not affected by this way of doing business. Clearly governments have to deal with certain aspects of it. But our feeling is that this ought to be a market-driven process led by the private sector. Every time governments have tried to dream up the right rules, they almost always got off on the wrong foot. We're afraid that some governments, with their desire to regulate electronic business, will stunt growth. The industry is exploding so fast that almost any government framework is liable to be harmful.

People in the market can find the right solutions: for child pornography on the Internet, for instance, the industry is coming up with technical solutions and self-regulatory answers. What we don't want is some one-size-fits-all solution designed by governments that actually does more harm than good. Take the European Union's directive on data privacy supposed to go into effect next October. If it does, it may have catastrophic consequences on trans-Atlantic business: for example, personnel records couldn't be shifted across borders or databases sent somewhere for consolidation.

Q. You have been the point man in the U.S. drive to promote commercial codes for computer communications that could be accessible to governments. Where does that stand?



David Aaron: Setting trade agenda.

A. We've come to see that you need a balanced policy. The authorities need access to coded computer records just as they currently have access to all other communications. The people who put poison gas in the Tokyo subway would probably still be walking free if the authorities hadn't stumbled on the key to break the code of their computerized records. In the case of the World Trade Center bombing, some of the information, including the terrorists' financiers, contacts, other targets, are on computer disks that have been seized but are too deeply encrypted for the police to crack.

Yeltsin Fires Staff Aide Involved in Book Affair

He and Leading Reformer Got High Advance

By David Hoffman
Washington Post Service

MOSCOW — President Boris Yeltsin fired his deputy chief of staff on Friday in what appeared to be a worsening dispute over advances for a book accepted by Russia's leading economic reformer, Deputy Prime Minister Anatoli Chubais, and some of his closest aides.

Alexander Kazakov, 49, a former chief of Russia's privatization program and an ally of Mr. Chubais, was dismissed in a one-sentence Kremlin announcement.

The announcement did not give any reason for the dismissal, but others said it was because of the book controversy.

Mr. Kazakov had been first deputy chief of staff for relations between the Kremlin and local governments. He also served as chairman of the board of Gazprom, the natural gas monopoly that is Russia's biggest corporation. Interfax quoted a Gazprom executive as saying that Mr. Kazakov would not lose the post, which he has held since 1996.

Mr. Kazakov was one of at least five, and possibly seven, co-authors of the book, including Mr. Chubais, who each received a $90,000 payment for the history of Russian privatization. The payment was revealed this week by Alexander Minkin, an investigative journalist, who described it as a disguised bribe.

Mr. Chubais, charging that the allegations are part of an effort by several Russian tycoons to discredit him, has denied that the payment was intended to influence his decisions as Russia's top economic policy official.

Mr. Chubais defiantly declared that "as long as we are alive," none of the previous government sell-offs would be canceled. "There will be no return to old, unfair rules of the game," he said. "There will never be a situation when the government is forced under pressure" to make decisions in favor of "this or that businessman."

The latest disclosures are part of a dispute between several of the biggest Russian tycoons and Mr. Chubais. The battle has been carried on in a series of damaging leaks and smear campaigns in news media owned by the tycoons.

The attacks appear to be eroding Mr. Chubais's position, and the new charges left many questions unanswered, such as why a publishing house would pay such a large sum, $450,000, for the book. Some press accounts have put the total even higher. Mr. Chubais acknowledged Friday that the payment was large. "The fee is high," he said, adding, "We must admit this."

Mr. Chubais claimed most of the money was to be donated to a private foundation that he said had been formed recently for the purpose of defending free-market economic policies, including the rights of private property, and that he said was under the guidance former Prime Minister Yegor Gaidar, a leading reformer.

However, Mr. Gaidar, in a televised interview Friday, had trouble recalling when Mr. Chubais said he would forward the money. "I don't want to recollect now," he said. "I don't remember."

Mr. Gaidar, who is a close informal adviser to Mr. Chubais, said in response to a question: "I think Chubais's dismissal would be extremely harmful for Russia's economy and its financial system, especially now. But I do not exclude it." Russian capital markets have been hard-hit by the recent global market turmoil.

Mr. Chubais said the book was already written. Mr. Gaidar said the manuscript was sent to him in recent days.

The title is "The Results of Privatization: A Breakthrough Into Another Economic Dimension."

It is not clear where the advances came from. Press reports said they were from a publishing company, Sevodnya-Press, partly owned by Vladimir Potanin, the head of Unexim bank, a Russian banking giant.

In a sell-off that sparked a bitter feud, Mr. Potanin in July won a 25 percent stake in Svyazinvest, a huge telephone-holding company, defeating another group of bankers headed by Vladimir Gusinsky, a media magnate.

One of Mr. Gusinsky's allies in that fight, Boris Berezovsky, an oil and auto tycoon, was also recently dismissed from Mr. Yeltsin's security council.

Morocco Picks Lawmakers

Direct Election of All Is a First for the Country

Agence France-Presse

RABAT, Morocco — Polls opened Friday in parliamentary elections that, for the first time since Morocco gained its independence in 1956, will see all of the country's legislators directly elected.

Some 60,000 polling stations were set up around the country as voters chose from among 3,319 candidates from 16 parties for 325 seats in the Chamber of Representatives. Turnout among the 13 million registered voters was expected to be high.

Final results are due Saturday, and King Hassan II is to use the outcome to help him select a prime minister to form a new government.

Under the constitutional monarchy, the role of Parliament has habitually been a low-key one, although constitutional reforms have opened the way for an assembly with two houses.

Security surrounding the elections, which includes moderate Islamist candidates for the first time, has been tight.

Throughout the country, ballot boxes — mainly put out in schools and public buildings — were protected by a plastic shield, keeping them permanently in view of electoral officials.

The voting Friday will be followed Dec. 5 by the indirect election of a 275-member Chamber of Councilors, or senate, through an electoral college comprising town councils, regional assemblies, chambers of commerce and representatives of industry, agriculture and trade unions.

The new system was established in a constitutional reform adopted in September 1996 that changed the country's 333-member legislature into a two-house body.

In Morocco's last general election, in June 1993, the turnout was almost 63 percent.

That figure was expected to be surpassed this time, given the calls for change by the king and the majority of politicians.

BRIEFLY

Sergei Supinsky/Agence France-Presse

FORWARD SPLITS — Ukrainian honor guards warming up for the daily training regimen Friday in Kiev.

German Bomb Suspects on Trial

DUSSELDORF — Two German physics students went on trial here Friday on charges of attempted murder, accused of being responsible for a series of botched bomb attacks.

Prosecutors charged Bernhard Falk and Michael Steinan with five counts of endangering life with the use of explosives. They are suspected of carrying out a series of bomb attacks in 1994 and 1995 — on the homes of conservative German politicians and on the Peruvian Consulate in Dusseldorf.

Responsibility for the attacks had been claimed by the Anti-Imperialist Cell, which the anti-extremist Office for the Protection of the Constitution once said probably numbered 30 to 50 members.

But the abrupt end to the attacks after the arrests of Mr. Falk and Mr. Steinan in February 1996 led to speculation it was nothing more than a two-man band. *(Reuters)*

Austrian Leader Wants 2d Term

VIENNA — President Thomas Klestil of Austria announced Friday that he would run for a second term next year, but said he would not actively campaign for re-election.

Mr. Klestil was elected in 1992 with 56.89 percent of the vote. Though he was nominated by the conservative People's Party then, he sees himself as an independent. In a speech announcing his decision, he said he did "not want to be a candidate of any party." Other parties, in any case, have nominated their own candidates or are considering doing so.

Heide Schmidt, leader of the Liberal Forum, announced her candidacy this week. The Social-Democratic Party, in coalition with the Austrian People's Party, plans to announce next week whether or not it will field a candidate, while the populist Freedom Party plans a decision in September. *(AP)*

EU Targets Israeli Orange Juice

BRUSSELS — The European Union wants to talk with Israel about allegations that Brazilian orange juice has been fraudulently imported into the Union under labels that declare "Made in Israel," an EU spokesman said Friday.

"At the moment we are trying to find a date," said the spokesman for Manuel Marin, the EU commissioner responsible for relations with Asia, the Mediterranean and Latin America.

The spokesman denied Israeli accusations that the call for talks had a political motive. "I reject any political interpretation of this," he said. "We have a duty to protect the financial interests of the EU." Union officials say the duties escaped on the suspect imports could amount to 40 million ECUs ($46 million).

The European Commission said its suspicions about the orange juice imports dated to 1993, and a trade mission this year confirmed "serious doubts" as to the origin of the products. *(Reuters)*

TRAVEL UPDATE

Cathay Cuts Fares

HONG KONG (Reuters) — Cathay Pacific Airways announced an ambitious program Friday to revive Hong Kong's sickly tourism sector.

The airline will offer two-for-one-price tour deals in a bid to lure back travelers who have come in dwindling numbers since the former British colony reverted to China on July 1.

Cathay also has linked up with 59 Hong Kong hotels to offer discount packages to tourists in 22 countries from Jan. 1 and Feb. 15.

A Face-Lift in Moscow

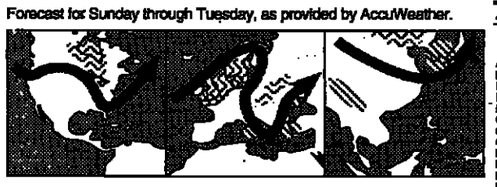
MOSCOW (AFP) — With a $200 million investment plan by an Irish travel firm, Moscow's vast but down-at-the-heels Ukraine Hotel will get a face-lift — along with a heliport, an underground shopping center, restaurants, bars, tennis courts, a gym and a pool.

The 34-story Stalinist-era hotel is to be partially privatized, with a stake sold to the Irish-owned Hotel Service Management, the Kommersant Daily newspaper said. Room rates will more than double from a current $70 dollars a night to between $170 and $180.

Waterstone's, which has 108 book stores in Britain, Ireland and North America, has opened the largest bookstore in Britain in 50 years in Glasgow with 150,000 titles. *(NYT)*

WEATHER

Forecast for Sunday through Tuesday, as provided by AccuWeather.



Jetstream — Unseasonably Cold — Unseasonably Mild — Heavy Rain — Heavy Snow

North America
Cold with flurries and snow showers Sunday and Monday in the Northeast and New England, but dry and milder Tuesday with lots of sun. Mild and dry over the central Plains and most of the West, but showers will bring cooler weather to the West by Tuesday.

Europe
Dry and very mild over England, France and Germany Sunday and Monday, but showers and cooler weather will move in from the Atlantic Tuesday. A storm in the Mediterranean will cause soaking rain across southern Italy and Greece. Quite cold in eastern Europe and Russia.

Asia
Cold and dry with flurries in Beijing and across most of northern and eastern China Sunday and Monday, then a little milder Tuesday. Korea and southern Japan will have soaking rain, while Manchuria will be windy and cold with snow. Mostly dry and mild in Tokyo, but it may shower Monday.

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hce, W-Weather.

Maps, forecasts and data provided by AccuWeather, Inc. ©1997 - http://www.accuweather.com

Europe

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Algarve	21/70	12/53 pc	20/68	14/57 pc
Amsterdam	12/53	11/52 sh	14/57	12/53 r
Ankara	12/53	6/43 sh	12/53	4/39 c
Athens	17/62	14/57 r	16/61	7/44 pc
Barcelona	16/61	9/48 pc	16/61	11/52 pc
Belgrade	6/43	3/37 sn	4/39	2/35 sn
Berlin	7/44	6/43 pc	8/46	4/39 c
Brussels	11/52	11/52 sh	14/57	12/53 r
Budapest	5/41	3/37 r	6/43	2/35 sh
Copenhagen	6/43	4/39 sh	9/48	6/43 s
Costa Del Sol	21/70	11/52 pc	21/70	13/55 s
Dublin	17/62	14/57 r	15/59	10/50 sh
Edinburgh	15/59	13/55 sh	14/57	7/44 r
Florence	11/52	4/39 pc	12/53	6/43 pc
Frankfurt	6/43	3/37 pc	7/44	2/35 pc
Geneva	8/46	5/41 pc	12/53	6/43 sh
Helsinki	5/41	1/34 pc	8/46	0/32 pc
Istanbul	14/57	12/53 sh	13/55	9/48 r
Kiev	8/46	4/39 sh	5/41	2/35 sh
Las Palmas	24/75	19/66 s	25/77	19/66 s
Lisbon	18/64	13/55 pc	17/62	14/57 sh
London	13/61	15/59 c	17/62	11/52 sh
Madrid	17/62	7/44 pc	17/62	7/44 pc
Mallorca	18/64	7/44 s	18/64	9/48 pc
Milan	8/46	2/35 s	12/53	6/43 c
Moscow	7/44	2/35 c	3/37	-1/31 sn
Munich	3/37	-2/29 pc	7/44	1/34 r
Nice	15/59	8/46 pc	18/64	12/53 pc
Oslo	4/39	0/32 sh	6/43	3/37 c
Paris	11/52	10/50 r	14/57	9/48 c
Prague	4/39	1/34 pc	4/39	0/32 r
Reykjavik	7/44	5/41 sn	7/44	1/34 r
Riga	6/43	3/37 sh	6/43	1/34 pc
Rome	19/61	6/43 s	14/57	6/43 pc
St. Petersburg	7/44	2/35 c	4/39	-2/29 pc
Stockholm	6/43	1/34 pc	6/43	3/37 pc
Strasbourg	7/44	6/43 c	11/52	8/46 r
Tallinn	6/43	2/35 pc	4/39	1/34 pc
Tbilisi	18/61	6/43 pc	17/62	9/48 sh
Venice	8/46	1/34 s	9/48	4/39 c
Vienna	5/41	0/32 c	7/44	1/34 c
Warsaw	6/43	3/37 r	4/39	2/35 r
Zurich	6/43	3/37 pc	11/52	7/44 r

Middle East

Abu Dhabi	27/80	17/62 s	26/79	16/61 pc
Beirut	29/79	17/62 s	29/79	17/62 s
Cairo	27/80	13/55 s	27/80	14/57 s
Damascus	24/75	9/48 s	25/77	9/48 s
Jerusalem	23/71	10/50 s	23/73	11/52 s
Luxor	29/84	12/53 s	31/88	12/53 s
Riyadh	24/75	13/55 pc	24/75	12/53 pc

Africa

Algiers	18/64	9/48 pc	19/66	9/48 s
Cape Town	18/64	12/53 r	13/55	3/37 c
Casablanca	22/71	13/55 s	23/73	14/57 s
Harare	24/75	12/53 sh	25/77	12/53 sh
Lagos	32/89	23/73 pc	31/88	23/73 pc
Nairobi	26/79	14/57 sh	27/80	13/55 c
Tunis	18/64	9/48 pc	17/62	9/48 pc

Asia

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Almaty	9/48	-1/31 s	8/46	-2/29 pc
Bali	32/89	21/70 pc	32/89	21/70 pc
Bangkok	33/91	23/73 pc	32/89	23/71 pc
Beijing	14/57	-2/29 r	-2/29	-11/13 sn
Bombay	31/88	23/73 pc	30/86	22/71 pc
Calcutta	28/82	18/61 s	28/79	16/61 pc
Chiang Mai	32/89	18/64 pc	31/88	18/64 pc
Colombo	28/82	23/73 r	29/84	23/73 sh
Hanoi	29/84	22/71 pc	23/73	10/50 sh
Ho Chi Minh	32/89	23/73 s	32/89	23/73 pc
Hong Kong	27/80	21/70 s	23/73	11/52 pc
Islamabad	29/79	8/46 pc	23/73	6/43 pc
Jakarta	31/88	23/73 pc	31/88	23/73 c
Karachi	33/91	15/59 s	33/91	14/57 s
K. Lumpur	31/88	23/73 r	31/88	22/71 c
K. Kinabalu	29/84	23/73 pc	29/84	23/73 sh
Manila	31/88	22/71 pc	31/88	22/71 pc
New Delhi	29/79	9/48 s	27/80	9/48 s
Phnom Penh	31/88	23/73 pc	30/86	22/71 pc
Phuket	33/91	23/73 pc	32/89	22/71 pc
Rangoon	32/89	21/70 pc	31/88	21/70 pc
Seoul	14/57	4/39 s	13/55	6/43 r
Shanghai	17/62	15/59 r	16/61	-9/27 r
Singapore	30/86	22/71 pc	30/86	21/70 pc
Taipei	29/84	22/71 pc	27/80	18/64 pc
Tokyo	21/70	14/57 sh	18/64	17/62 pc
Vientiane	32/89	21/70 pc	31/88	16/61 sh

North America

Anchorage	2/35	-3/27 c	2/35	-5/24 sf
Atlanta	10/50	0/32 pc	8/46	-5/24 s
Boston	3/37	0/32 sn	2/35	-4/25 pc
Chicago	1/34	-8/18 sf	1/34	-3/27 pc
Dallas	10/50	-4/25 s	11/52	-1/31 s
Denver	0/32	-8/18 s	12/53	-3/26 s
Detroit	-2/35	-7/20 sn	1/34	-3/26 pc
Honolulu	27/80	20/68 c	28/82	21/70 pc
Houston	13/55	3/37 s	12/53	-1/31 s
Los Angeles	20/68	13/55 pc	22/71	13/55 pc
Miami	27/80	18/64 s	24/75	15/59 pc
Minneapolis	-3/27	-11/13 pc	3/37	-4/25 s
Montreal	-2/29	-7/20 sn	-8/22	-11/13 pc
Nassau	29/84	22/71 sh	29/82	21/70 pc
New York	8/46	0/32 sh	4/39	-2/29 pc
Orlando	23/73	11/52 s	18/64	6/41 pc
Phoenix	22/71	8/46 s	23/73	8/46 pc
San Fran.	17/62	10/50 sh	18/61	8/46 sh
Seattle	11/52	2/35 s	11/52	7/44 c
Toronto	-1/31	-7/20 sn	-4/25	-7/20 pc
Vancouver	11/52	3/37 pc	11/52	4/39 pc
Washington	9/48	-1/31 pc	4/39	-3/27 pc

Latin America

Buenos Aires	26/79	13/55 s	23/73	11/52 c
Caracas	28/82	20/68 c	28/84	21/70 pc
Lima	23/73	18/61 pc	23/73	17/62 pc
Mexico City	23/73	9/48 pc	17/62	7/44 sh
Rio de Janeiro	28/79	20/68 sh	29/79	21/70 pc
Santiago	24/75	6/43 s	21/70	4/39 s

Oceania

Auckland	22/71	17/62 pc	21/70	13/55 c
Sydney	24/75	18/64 sh	18/64	11/52 sh

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FBI Finds New Funding Evidence

Intelligence Data on China's Role in Campaign Were Overlooked

By Bob Woodward
Washington Post Service

WASHINGTON — The FBI has acknowledged overlooking key intelligence information gathered as far back as 1991 that investigators believe shows further Chinese government efforts to buy political influence in the United States, according to senior U.S. government sources.

Attorney General Janet Reno learned of the new evidence on the night of Nov. 5. A senior Justice Department official said Ms. Reno was "livid" at the FBI oversight and apologized two days later to Senator Fred Thompson, Republican of Tennessee, for failing to disclose information that was germane to Senate hearings into campaign fund-raising abuses. Mr. Thompson suspended his committee's hearings Oct. 31.

The FBI director, Louis Freeh, who also apologized to Mr. Thompson, has replaced the senior FBI official overseeing the bureau's investigation into suspected Chinese influence-buying, officials said.

The newly discovered intelligence, much of it culled from electronic surveillance conducted by the FBI and other U.S. agencies over the last six years, includes evidence of the magnitude and means by which Beijing hoped to influence U.S. elections.

The evidence also shows links between the Chinese government and several U.S. citizens, including a Democratic fund-raiser in Los Angeles whom several officials characterize as an "agent" for the Chinese. Officials would not provide details.

These developments come two months after Ms. Reno, vowing "to make sure that no stone is left unturned," ordered a major Justice Department shake-up and replaced the head of a department task force looking into campaign finance violations.

Some officials played down the significance of the new evidence and noted that it was gathered by the FBI as part of a counterintelligence function designed to keep tabs on foreign governments and protect U.S. national security.

Since news reports early this year first disclosed a Justice Department investigation into suspected Chinese influence-buying, officials in Beijing have repeatedly denied — both publicly and in private talks with U.S. officials — any effort to funnel campaign contributions into American political races. Federal law prohibits donations from foreign sources.

The new evidence came to light only after Mr. Freeh canvassed all FBI field offices in September and ordered a "meticulous review of all file holdings in the FBI's possession that bear on attempts" by China to influence U.S. political elections. Thursday night, the FBI issued a statement saying that its counterintelligence files are "voluminous," consisting of "raw, uncorroborated intelligence that requires significant analysis before the information is appropriate for dissemination."

Mr. Freeh's directive also produced intelligence that the Chinese government planned to use joint business ventures with American companies and others to raise money that could be funneled into U.S. political campaigns. They were quick to point out that the new discoveries will not necessarily lead to criminal charges. Nor have investigators established whether Chinese money was actually funneled to specific political campaigns.

Mr. Daschle, minority leader, left, and Mr. Lott, majority leader, calling the president as the Senate adjourned.

POLITICAL *NOTES*

Gay's Appointment Is Blocked

WASHINGTON — The Senate has quietly blocked the appointment of an openly gay businessman to be the U.S. ambassador to Luxembourg after Republicans complained that he would use the position to advance gay rights.

James Hormel, a philanthropist in San Francisco and heir to the Hormel meatpacking fortune, ran into last-minute opposition from two Republican senators, James Inhofe of Oklahoma and Tim Hutchinson of Arkansas, who put a hold on his confirmation. As a result, an aide to the Senate majority leader, Trent Lott of Mississippi, said Thursday that the nomination would be shelved for the rest of the year.

"The fact that he's been a longtime activist for gay causes creates some concern that he would use the position to promote those causes," a spokesman for Mr. Inhofe said.

The action drew criticism from the White House and the nation's largest gay rights organizations, both of which called it blatant discrimination. Mr. Hormel, who would have been the first gay activist to become a U.S. ambassador, declined to comment Thursday.

"This is boiling down to job discrimination, pure and simple," said David Smith of the Human Rights Campaign, the nation's largest gay rights group. *(WP)*

Reno Steps Up Babbitt Inquiry

WASHINGTON — Attorney General Janet Reno has stepped up the investigation of Interior Secretary Bruce Babbitt's role in the rejection of an Indian casino that was opposed by tribes that contributed heavily to the Democratic Party for the 1996 campaign.

Ms. Reno notified the special federal court panel in charge of appointing independent counsels that she was opening a preliminary inquiry to determine whether one should be named in Mr. Babbitt's case.

Under the law, the attorney general must ask the court to appoint an independent counsel unless she can certify within the next 90 days that there are no "reasonable grounds to believe further investigation is warranted."

Justice Department sources said the truthfulness of Mr. Babbitt's testimony about the casino controversy was a central focus of the inquiry.

Mr. Babbitt has denied that political pressure was a factor in the 1995 scuttling of the off-reservation casino project that three impoverished Wisconsin Chippewa tribes wanted to build. *(WP)*

Quote/Unquote

Tom Daschle, the Senate minority leader, as Congress headed home Thursday after its final session: "I would give this Congress a B for achievement, a D for behavior and the overall assessment of incomplete." *(AP)*

Away From Politics

• **More than a million women are stalked every year** in the United States, and one out of every 12 women will be stalked at some point in their lives, according to a survey released by the Justice Department. The study also reported that more than 370,000 men are stalked each year. The vast majority of stalking victims of both sexes — 74 percent — were between the ages of 18 and 39. *(WP)*

• **A man who escaped a prison work gang and killed a storekeeper** in a 1988 robbery that netted $4 has been executed by injection at the Virginia state prison. Dawud Mu'Min, 44, made no final statement. *(AP)*

• **An inmate who shattered his eighth-floor cell window** with a chair fell to his death when the bedsheet rope he was using to lower himself broke. Rayton Bullock, 18, was awaiting trial in Pittsburgh on murder charges. *(AP)*

The Backslapping Over, Congress Unsheaths the Knives

By Alison Mitchell
New York Times Service

WASHINGTON — As the 105th Congress ended its first session this week it could boast of one paramount, bipartisan achievement: the midsummer legislation to balance the budget and cut taxes. But the ill-will, stalemate and destruction of the session's closing weeks point to a return to sharp partisanship next year.

It is almost as if the session had been cut in two. After weeks of working together, sometimes uncomfortably, the outer wings of each party got fed up with cooperation.

Over the past three months, Republican leaders in the Senate blocked a direct vote on overhauling the campaign finance system, despite weeks of hearings that showcased the abuses of the 1996 campaign.

In the House, President Bill Clinton's own Democrats dealt him a devastating blow by keeping him from winning the free trade measure he called necessary for the United States to be a global leader in trade.

The president's nominee to run the civil rights division of the Justice Department is stalled because of his support for racial and gender preference programs. Mr. Clinton's choice for surgeon general has been held up over abortion. And William Weld, the former Republican governor of Massachusetts who was supposed to be the very symbol of bipartisanship, saw his nomination as ambassador to Mexico torpedoed by conservatives in his own party.

The Republicans have floundered as well. Despite their efforts to carve out an education agenda based on school tuition vouchers, one of the party's signature bills was unable even to pass the House. Another measure, for tax-free savings accounts that could be used for education expenses, including tuition, was blocked by Democrats in the Senate.

All of this stands in stark contrast to the accomplishments of the spring that climaxed when Mr. Clinton and the speaker of the House, Newt Gingrich, stood side by side on the White House lawn in August to celebrate a true bipartisan political milestone: a plan to balance the federal budget and provide a major tax cut for the first time since the presidency of Ronald Reagan.

Predictably, the two parties blame each other for the mood change.

"I think the hard right forced them to become more ideological and less pragmatic," the Senate minority leader, Tom Daschle of South Dakota, said of the Republicans.

Representative Jennifer Dunn of Washington state, a member of the House Republican leadership, said of the trade defeat, "The Democrats became the labor party, and that's going to be a big problem."

In their way both are right. Factions in each party are growing dissatisfied with the look-alike politics that have emerged from Mr. Clinton's embrace of so many Republican issues. And as the midterm elections of 1998 loom, Democrats and Republicans are once again seeking to highlight their differences and energize their core voters.

That contrasts with the beginning of the congressional session.

Unable to carry a Democratic Congress into office along with him, Mr. Clinton began his second term by pledging to build a "vital center" in American politics. Republicans, equally chastened by their failure to capture the White House, vowed to cooperate and find common ground.

Across the next few months, Congress and the president did cooperate.

They passed the budget-balancing bill.

The Senate approved a chemical weapons treaty, with the majority leader, Trent Lott of Mississippi, helping the president overcome conservative opposition. The House, over the opposition of an odd-couple coalition of liberals and conservatives, fought back an attempt to punish China by ending its normal trading status with the United States.

The Democrats could boast of establishing a new health care program for up to 5 million uninsured children — the largest expansion in federal health care since the Medicare and Medicaid programs were established in 1965. They won large increases in education spending and created a tax credit to allay the costs of higher education. And Mr. Clinton was able to make good on his pledge to soften some aspects of the welfare overhaul he signed in 1996.

For their part, the Republicans had delivered on the crown jewel of their 1994 Contract With America — the $500-a-child tax credit. They could also point to reductions in capital gains taxes and the estate tax. And they pushed through a pilot project to allow the elderly to make tax-free contributions into their own medical savings accounts to supplement Medicare.

On Thursday, under a huge banner proclaiming, "What a Difference a Republican Congress Makes," Mr. Gingrich and his lieutenants were still celebrating the budget agreement as the fulfillment of their promises of 1994. "Anybody who wants to belong to a reform party can find one called the Republican Party," the Georgia Republican said. "Because we kept our word."

The pact bolstered both Mr. Clinton and the Congress. But it further muddied party definition. Democrats who are seeking to win back the House next year are wary of accomplishments that Republican incumbents can claim, too. And Republicans discovered over the summer that voters from their conservative base opposed close cooperation with the president.

"There is a danger it will be a very partisan and unproductive session," Senator Joseph Lieberman, Democrat of Connecticut, said of 1988.

AIDS Lurks in Cells Long After Treatment

By Denise Grady
New York Times Service

NEW YORK — Powerful drug combinations being taken by many people infected with the AIDS virus do not eliminate it from the body, scientists have found. But neither does the virus develop resistance to the drugs in people who follow the strict schedule of medicine.

Three teams, working independently, identified the same set of immune system cells as an important hiding place for the virus, HIV, which becomes dormant but retains the potential to turn active again and infect new cells.

The findings announced Thursday mean that people who benefit from the combination therapy cannot safely discontinue their strict schedule of medications in the foreseeable future, as had been hoped, and, indeed, might need to stick with the costly regimen indefinitely, perhaps as long as they live.

But that could be a long time, the researchers said. Their studies showed that although the virus still lurked in the immune system, it occupied very few cells, and even after two years of therapy had not developed resistance to the drugs.

"This shows that the drugs are really quite good, and are doing what they're supposed to," said David Ho, an author of one of the studies and a researcher at the Aaron Diamond AIDS Research Center in Manhattan. "It should be a motivation for patients to carry on and adhere closely to their regimen."

Two of the studies are being published Friday in the journal Science.

The third will be published on Nov. 25 in The Proceedings of the National Academy of Sciences.

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BOOKS

THE WIND-UP BIRD CHRONICLE

By Haruki Murakami. 611 pages. $25.95. Alfred A. Knopf.

Reviewed by
Michiko Kakutani

HARUKI MURAKAMI'S latest novel, "The Wind-Up Bird Chronicle," is a wildly ambitious book that not only recapitulates the themes, motifs and preoccupations of his earlier work, but also aspires to invest that material with weighty mythic and historical significance. But while Murakami seems to have tried to write a book with the aesthetic heft and vision of, say, Don DeLillo's "Underworld" or Salman Rushdie's "The Moor's Last Sigh," he is only intermittently successful.

"Wind-Up Bird" has some powerful scenes of antic comedy and some shattering scenes of historical power, but such moments do not add up to a satisfying, fully fashioned novel. In trying to depict a fragmented, chaotic and ultimately unknowable world, Murakami has written a fragmentary and chaotic book.

The central story concerns one Toru Okada, a gofer at a Tokyo law firm who has recently quit his job. Toru leaves his house one day to look for his missing cat and suddenly finds himself thrown into a series of bizarre adventures. Not long after the cat disappears, Toru's wife Kumiko vanishes as well.

In the meantime, Toru meets a series of curious people: May Kasahara, a troubled teenager who feels responsible for her boyfriend's death in a motorcycle accident; Malta Kano, a psychic who makes prophecies about Toru's missing cat; Malta's sister, Creta, who claims that she was raped by Kumiko's brother, Noboru Wataya; Lieutenant Mamiya, a soldier who says he witnessed a man being skinned alive; Nutmeg Akasaka, a mysterious healer whose husband was violently murdered; and Nutmeg's son, Cinnamon, a handsome young man who stopped talking when he was a boy.

Strange coincidences connect these people. We learn that Nutmeg's father, a veterinarian in Manchuria, has the same strange mark on his cheek as Toru. We learn that Toru and Creta have had a similar experience with prostitution. And we learn that various people who have heard the mysterious wind-up bird have come to unhappy ends.

Murakami uses these odd correspondences to build narrative tension, while at the same time manipulating his various subplots to raise a slew of other questions. What role does Kumiko's sinister brother, Noboru, have in her disappearance? Is Noboru's political career somehow connected to bloody events that occurred in Manchuria so many decades ago?

While Murakami teases the reader with the suggestion that the answers to these questions will complete his jigsaw-puzzle story, it turns out that he is equally intent on pelting the reader with portentous red herrings. No doubt he means to subvert the conventional detective story and, in doing so, suggest that the world is a mysterious place, that the lines between reality and fantasy are porous, that reason and logic are useless tools in an incomprehensible world.

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PARIS and SUBURBS

EMMANUEL BAPTIST CHURCH - 58, rue des Bons-Raisins, 92500 Rueil-Malmaison. Worship: 9:45 : 11:00 a.m.Sunday School. For info Tel: 01 47 51 29 63/01 47 49 15 29 or: http://www.geocities.com/Paris/Metro/1352.

HOPE INTERNATIONAL CHURCH Hotel Orion at Paris-la-Défense, 8 bd. de Neuilly. Worship Sundays. 9:30 a.m. Rev. Douglas Miller, Pastor. T.: 01 43 33 04 08 Métro 1 to la Défense Esplanade.

SAINT JOSEPH'S CHURCH (Roman Catholic). MASS IN ENGLISH: Sat. 6:30 p.m.: Sun.: 9:45 a.m., 11 a.m., 12:15 p.m., 6:30 p.m. 50, avenue Hoche, Paris 8th. Tel: 01 42 27 28 56. Metro: Charles de Gaulle - Etoile.

RELIGIOUS SOCIETY OF FRIENDS (QUAKERS). Unprogrammed (silent) meeting for worship. Sundays 11 a.m. Centre Quaker International, 114 bis, rue de Vaugirard, 75006 Paris. All Welcome. +33 01 45 48 74 23.

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TOKYO UNION CHURCH, near Omotesando Subway Sta. Tel.: 3400-0047, Worship Services: Sunday - 8:30 & 11:00 a.m., SS at 9:45 a.m.

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FLORENCE

ST. JAMES' CHURCH, Sun. 9 a.m. Rite I & 11 a.m. Rite II. Via Bernardo Rucellai 9. 50123, Florence, Italy. Tel.: 39/55 29 44 17.

FRANKFURT

CHURCH OF CHRIST THE KING (Episcopal/Anglican) Sun. Holy Communion 9 & 11 a.m. Sunday School and Nursery 10:45 a.m. Sebastian Pinz St. 22, 60323 Frankfurt, Germany. Ut. 2, 3 Miquel-Allee. Tel: 49/69 55 01 84.

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THE CHURCH OF THE ASCENSION, Sun. 11:45 a.m. Holy Eucharist and Sunday School, Nursery Care provided. Seybothstrasse 4, 81545 Munich (Harlaching), Germany. Tel.: 49/89 64 81 85.

ROME

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THE CHURCH OF ST. AUGUSTINE OF CANTERBURY, Sun. 10 a.m. Family Eucharist. Frankfurter Strasse 3, Wiesbaden, Germany. Tel.: 49/611.30.66.74.

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I.B.C., The Iuventa, Karloveska 64, Auditorium 104B. Worship Sun. 10:00. Tel.: (07) 715367

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I.B.C., Hohenlohestr. Hermann-Bose-Str. Worship Sun. 17:00. Pastor telephone: 0421-78 848.

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I.B.C., Strada Popa Rusu 22. 3:00 p.m. Contact Pastor Mike Kamper, Tel. 312 3880.

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I.B.C., meets at Morics Zsigmond Gimnazium, Torokvesz ut 48-54, Sun. 10:00. Tel. 250-3832.

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THE WORLD'S DAILY NEWSPAPER

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Many Americans Fleeing Pakistan

Investors Seek Better Protection

The Associated Press

ISLAMABAD, Pakistan — Foreign investors demanded better protection Friday after the killing of four U.S. businessmen in Karachi.

Many American business people in that city stayed in their hotel rooms or flew out of the country early after Washington recommended that its citizens avoid nonessential travel in Pakistan. Militants have threatened more attacks on U.S. citizens.

"We are very concerned about security," said Syed Hashmi, president of the American Business Council, which represents 60 U.S.-based firms that operate in Pakistan. "Precautions are taken, but we need greater security guarantees from the government."

On Wednesday, gunmen shot and killed four employees of the largest oil company in Pakistan, Union Texas Petroleum, apparently in retaliation for the murder conviction of a Pakistani man in the United States.

The Pakistani government quickly offered its condolences, stepped up security and tried to calm foreign investors in the country.

That was not easy. The signing of two oil exploration deals between Pakistan and a major U.S. company was postponed.

Luxury hotels in Karachi, Pakistan's financial center, said that their U.S. guests were leaving early. An English-language daily newspaper, The Dawn, said 100 U.S. citizens flew out of the country Thursday — far more than usual, immigration officials said.

The killings came at a particularly bad time for Pakistan, which is struggling to inject life into a flagging economy and preparing for Secretary of State Madeleine Albright's visit Sunday.

The government had hoped to use Mrs. Albright's visit to showcase the benefits of greater U.S. investment in Pakistan.

"This is not an act against the U.S. only, but against Pakistan," said the minister of state for foreign affairs, Mohammed Saddiq Kanju. "The new government has been working to open up Pakistan, to come up with liberal policies to provide opportunities for all.

"It is very unfortunate that this happened, but we should not become a hostage to a bunch of criminals," Mr. Kanju said.

The United States, Britain and Japan are the three leading investors in Pakistan. Western diplomatic sources here say that potential investors are warned of the security problems, and it is up to them to decide whether to brave the risks.

■ Denial by Family

The family of the Pakistani found guilty in Virginia of murdering two CIA employees denied Friday that it was behind the killings in Karachi, Agence France-Presse said.

"On behalf of my family and clan I strongly condemn the killings of four innocent U.S. citizens," said Hamidullah Kasi, brother of the killer, in Quetta.

The "barbarous act" was carried out by "hidden inhuman forces who deserve condemnation by the entire humanity," Mr. Kasi added in a statement.

He denounced reports by "irresponsible people" linking the murders to the clan of Mir Aimal Kasi, who was convicted Monday of murdering the CIA employees.

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BRIEFLY

Troops Disperse Timor Students

DILI, East Timor — Indonesian troops fired shots into the air Friday to disperse hundreds of students in East Timor. At least two people were injured in scuffles with authorities, school officials said.

Student activists said two students were killed in the violence outside the University of East Timor in Dili.

But a military spokesman, Captain Triyoga Budi, said troops fired only warning shots and that no one was killed. The violence came two days after students held a candlelight service on campus to commemorate the killing of pro-independence protesters by Indonesian troops in 1991. *(AP)*

Francophones Open Summit

HANOI — The club of francophone nations began its seventh summit meeting in Hanoi on Friday, with leaders calling on the group to become a vibrant political force and play a more significant international role.

"Our joint combat will allow us to avert the risk of a world where speech, thought and creativity come from the same mold," President Jacques Chirac of France said at the opening ceremony. "From now on, Francophonie will have one voice and one face."

La Francophonie is a loose association of 49 members. It was the first time the group has held its biennial meeting in Asia. *(Reuters)*

Japan Reports Talks Progress

TOKYO — Japan reported "significant progress" Friday in its efforts to trace citizens allegedly kidnapped by North Korean agents as the two sides edged toward resuming talks on establishing diplomatic ties.

North Korea denied involvement in the kidnapping of Japanese citizens but for the first time agreed to investigate the matter as a "general missing persons case," a Japanese official told reporters Friday.

At a news conference in Pyongyang, Yoshihiro Mori, head of the Japanese delegation, called North Korea's pledge to cooperate on the case "a significant progress." *(AFP)*

Gerard Fouet/Agence France-Presse

President Jacques Chirac of France, left, with Boutros Boutros-Ghali of Egypt on Friday at the francophone talks. Mr. Boutros-Ghali is expected to lead the group.

Asians Reject Emissions Cut

MANILA — The developing countries in Asia are unwilling to accept proposals to cut emissions of greenhouse gases further, officials attending an Asian Development Bank workshop said Friday.

"We belong to the Group of 77 and China and the group has a strong position that no additional commitment should be introduced at the Kyoto conference," said Chartree Chueyprasit, deputy secretary-general of Thailand's Office of Environmental Policy and Planning.

Emission targets are set to be cut at a conference to be held in Kyoto, Japan, next month. *(Reuters)*

Blasts Test Security in Sri Lanka

Agence France-Presse

COLOMBO — Suspected Tamil Tiger rebels infiltrated a high-security thermal power station here Friday, setting off two explosions but failing to disrupt power supplies or cause serious damage, the police and officials said.

Colombo was sealed off after the explosion, the Defense Ministry said, as troops began a search for the bombers and investigators tried to determine how the security around the power plant had been breached.

The predawn explosions at the Kelanitissa power plant were carried out despite the routine overnight closure of roads around the installation and tight security within it, the police said.

An oil storage tank was damaged, officials said. They said there was no damage to generators at the 220-megawatt power plant. Investigators recovered four unexploded devices identical to the two that went off, officials said.

James Laughlin, Publisher and Poet, Dies at 83

New York Times Service

NEW YORK — James Laughlin, 83, the fiercely independent publisher, editor and poet, who, as the founder and longtime head of New Directions, published many of the most consequential and revolutionary writers of his time, died Wednesday of complications following a stroke on the way to a hospital from his home in Norfolk, Connecticut.

A man who combined bold taste with a gentle demeanor, Mr. Laughlin made a major contribution to literature as well as to the field of publishing. The list of his writers is staggering in its length and artistic complexity. He was Vladimir Nabokov's first American publisher and also printed the work of Tennessee Williams, William Carlos Williams, Ezra Pound, Henry Miller, Djuna Barnes, Dylan Thomas, Delmore Schwartz and John Hawkes, among many others.

"He was the greatest publisher America ever had," the author and critic Brendan Gill said. "Look at his backlist: There's nothing comparable."

Mr. Laughlin was indefatigable in his search for the new and adventurous. With a characteristic boldness, he would take chances on anyone he considered an original. Often one author led him to another. At the recommendation of Pound, he took on William Carlos Williams and Henry Miller. Williams brought him to Nathanael West.

The support for these experimental authors derived from a family fortune in iron and steel. Mr. Laughlin was born in Pittsburgh. His great-grandfather, James Laughlin, founded the family business, Jones & Laughlin Steel Corp.

At Choate School in Wallingford, Connecticut, he became editor of the school literary magazine. In 1933, before he entered Harvard University, he published a story in the Atlantic Monthly. He majored in Latin and Italian at Harvard. Because he was unhappy over the conservatism of teachers such as the poet Robert Hillyer, who would leave the room when Pound or Eliot was mentioned, he took a leave of absence in the middle of his sophomore year.

He went to France, where he met Gertrude Stein and Alice B. Toklas.

He wrote to Pound in Rapallo, Italy, then visited him. He stayed for six months, studying in Pound's personal "Ezuversity."

In 1935, after reading Laughlin's poetry, Pound said: "You're never going to be any good as a poet. Why don't you take up something useful?" He suggested that he become a publisher.

Back at Harvard, and still an undergraduate, he started New Directions with money from his father. He published books out of a cottage at his aunt's home in Norfolk, and stored copies in his college room. New Directions eventually moved to New York; he continued to live in Norfolk.

His first book, published in 1936, was "New Directions in Prose & Poetry." It cost him $396 to print 700 copies, which he sold for sold for $2 each.

William Matthews, 55, Award-Winning Poet

New York Times Service

NEW YORK — William Matthews, 55, a poet who was praised for his personal voice and who won the National Book Critics Circle Award in 1996, died Wednesday, apparently from a heart attack, in New York. Mr. Matthews, a professor of English at City College in New York, also won the Modern Poetry Association's 1997 Ruth Lilly Award. He was a former chairman of the literature panel of the National Endowment for the Arts and a former president of the Poetry Society of America.

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White House Deplores Defeat of UN Funding

By Eric Pianin and Helen Dewar
Washington Post Service

WASHINGTON — The White House has called "utterly boneheaded" a last-minute maneuver by Congress that took away United Nations funds just as the administration is trying to hold together a fragile international coalition against Iraq.

White House officials and Democrats accused Republican leaders of undermining the president's leverage with the international community.

Before adjourning Thursday night, Congress denied the administration's request for payment of $926 million of UN arrears and a $3.5 billion credit line for the International Monetary Fund because of a long-festering dispute over abortion policy.

The $13.1 billion Foreign Operations spending bill became the backdrop for the fight over conservatives' efforts to prevent U.S.-backed international family planning agencies from using their own funds to perform abortions or promote liberalized abortion laws overseas.

The White House threatened to veto the bill if it included any of the anti-abortion language. Frustrated by the administration's unwillingness to compromise, House leaders removed the UN and IMF funding and another provision aimed at reorganizing foreign policy agencies from the bill.

That move was made with the blessing of the leader of the majority Republicans in the Senate, Trent Lott of Mississippi, and with time running out, the Senate had little choice but to accept the scaled-back spending bill.

The White House appeared resigned before the adjournment to have to again take up the matter when Congress returns next year.

"This is a particularly ill-timed move by Congress at a moment when we are attempting to work with the United Nations to build international support for an appropriate response to provocations by Saddam Hussein," said Michael McCurry, the White House press secretary.

"It is utterly boneheaded for Congress to fail to meet the commitments that the United States has at the UN in terms of our arrears," he said.

Senators on both sides of the family planning dispute took to the floor to denounce the House.

It is "reckless" for the House to do anything to undermine the UN ambassador, Bill Richardson, or Secretary of State Madeleine Albright in their negotiations at the United Nations, said Senator Rod Grams, Republican of Minnesota and a supporter of the anti-abortion restriction. He said the House action also had jeopardized UN management reforms.

Senator Patrick Leahy, Democrat of Vermont, a supporter of unrestricted family planning assistance, called the House action "outrageous," "shortsighted," "vindictive" and "inexplicable."

But House Republican leaders said they had retaliated only after President Bill Clinton and his advisers refused to give any ground to settle the dispute over the family planning programs, which receive $384 million annually.

By limiting their final demands to restricting groups such as the International Planned Parenthood Federation from lobbying foreign countries to liberalize their abortion laws, Republican leaders sought to portray the president as a captive of abortion rights "extremists."

"They rejected any compromise," said the House speaker, Newt Gingrich, Republican of Georgia. "They were rigid in their position, and I think it was entirely driven by domestic politics."

The chairman of the House Appropriations Committee, Robert Livingston, Republican of Louisiana, said, "There's plenty of money to take care of those crises, so we're not leaving the president in the lurch."

Appearing before the House Banking Committee, Deputy Treasury Secretary Lawrence Summers said the congressional action on funding of the International Monetary Fund would not affect rescue plans announced for Indonesia and Thailand.

But he warned that it could "diminish our capacity to respond to what unpredictable future may bring." That was a veiled reference to a possible IMF rescue for South Korea.

■ **Clinton Reassures Zedillo**

President Clinton urged Latin Americans on Friday not to be discouraged because legislation giving him broader power to negotiate international trade agreements had failed to get congressional approval, The Associated Press reported.

"This is not the last chapter of the story," he said as he welcomed President Ernesto Zedillo of Mexico to the White House. "I think we'll see some movement early next year. We'll work hard on this over the holidays."

During an Oval Office photo session, Mr. Clinton said drugs presented a threat to both countries.

"The problem is not the transit of drugs but the production of drugs," he said. "We have to work together to reduce demand."

He also praised the stability of the Mexican economy in the face of international financial market turmoil.

Mr. Zedillo is following the right course, Mr. Clinton said, adding that the focus should not be on markets, but on economic fundamentals, "because if the fundamentals were correct the markets would come along."

Mexico's transition to multiparty democracy is "amazing," Mr. Clinton said, "because it happened so quickly and so well."

UN Names Toepfer To Head Program On Environment

Reuters

BONN — Klaus Toepfer, the politician currently marshaling the German government's planned move to Berlin, said Friday that he had accepted an offer to run the United Nations Environmental Program.

Always the favored candidate of Secretary-General Kofi Annan, Mr. Toepfer said at a news briefing in Bonn that with the backing of the UN General Assembly he would take up the three-year posting based in Nairobi next year.

An environmentalist who is believed to have accepted his present job as construction minister only out of loyalty to Chancellor Helmut Kohl, Mr. Toepfer gave a frank assessment of the state of the UN's environment operation.

"It is in extraordinarily bad shape," he said. "It is facing a financial crisis and difficulties in many specific areas of activity. But the voice of the UN in environmental matters is absolutely crucial."

Mr. Toepfer's predecessor, Elizabeth Dowdeswell of Canada, said in February that she was quitting amid criticism, led by the United States, of bad management.

DUES: *UN Chief Assails U.S.*

Continued from Page 1

American public's attitude toward the United Nations.

"Americans don't want us to be deadbeats," he said Friday.

The United States is the United Nations' largest debtor, responsible for about 60 percent of all unpaid debts. Congress has demanded that American payments be reduced before the debts are settled, an issue that is now being discussed by other member nations.

Mr. Annan said the action Thursday was not going to help those negotiations, or separate talks on other demands by members of Congress who want to reduce the size and the activities of the United Nations.

He said he would call an emergency session of a General Assembly panel on finance to look for ways out of the looming crisis. The United Nations had intended to apply the money — the administration had assured the UN it was coming — to repay money borrowed from the organization's peacekeeping fund and owed to countries that contribute troops to peacekeeping missions.

The United Nations depends entirely on contributions or assessments from its 185 member nations. The assessments are calculated on a country's proportion of the world economy.

UN officials, angered by congressional accusations that the agency is bloated and unwilling to cut back its staff or programs, say its budget has been kept at a no-growth level since 1994 — during which time the U.S. budget has increased by 16 percent. While the U.S. government has cut back staffing by 12 percent, they said, the United Nations has cut its staff 24 percent.

"The United Nations must move on," Mr. Annan said. "I have said since I was elected secretary-general on Dec. 17, 1996, that we must reform for our own sake. We must revitalize this organization to make it effective and relevant and not to please any particular constituency."

Elise Amendola/The Associated Press

LAST OF THE PUMPKINS — A snowplow making its way Friday along a snow-covered street in North Andover, Massachusetts, after the first storm of the season buried any lingering thoughts of Halloween and fall.

Remark on Marines Trips Army Official

The Associated Press

WASHINGTON — The army's top personnel official resigned Friday, one week earlier than planned, because of protests over her remark that the Marine Corps is an "extremist" organization.

The secretary of the army, Togo West, was preparing a public statement to announce that Sara Lister had decided to quit her post after absorbing waves of criticism from Republicans in Congress.

The House approved a resolution Thursday evening seeking Mrs. Lister's removal, even though she said several months ago that she planned to leave her job next Friday. The resolution was adopted in a voice vote.

Mrs. Lister, the assistant secretary of the army for manpower and reserve affairs, had apologized for her remark and said it had been misconstrued.

In a letter Thursday to President Bill Clinton, the House speaker, Newt Gingrich, called Mrs. Lister's comment "completely out of order" and an insult to the military.

"Nothing less than her dismissal and a full apology on your part to America's sons and daughters in uniform will suffice to repair this breach," Mr. Gingrich, Republican of Georgia, wrote.

Defense Secretary William Cohen said he was satisfied with Mrs. Lister's apology and considered the matter closed. "We live in a world where people make mistakes, and they apologize for the mistakes and move on," said Kenneth Bacon, a spokesman for Mr. Cohen. "And that's what's happening here."

Mrs. Lister's public criticism, made on Oct. 26, was reported by The Washington Times on Thursday.

"I think the army is much more connected to society than the Marines are," she said at a conference sponsored by Harvard University's John M. Olin Institute for Strategic Studies, the newspaper reported. Her remarks were recorded on tape, the paper said.

"The Marines are extremists," she added, according to the newspaper.

"Wherever you have extremists, you've got some risks of total disconnection with society," Mrs. Lister went on, "and that's a little dangerous."

In a debate in the House on Thursday evening, Republicans denounced her while Democrats urged restraint. Representative John Murtha, Democrat of Pennsylvania, said he had spoken by phone with Mrs. Lister and found her "devastated" by the controversy.

In her written apology Thursday, addressed to the commandant of the Marine Corps, Mrs. Lister contended her remarks had been taken out of context.

"My use of the world 'extremism' was inappropriate and wrong," she wrote.

Mrs. Lister was appointed to the post by Mr. Clinton in 1994. She is a lawyer and previously served in the Pentagon under President Jimmy Carter, first as deputy general counsel of the navy and later as general counsel of the army.

General Charles Krulak, the commandant of the Marines, issued a statement Thursday saying that to characterize the Marine Corps as extremist was an insult to all Marines.

"Such a depiction would summarily dismiss 222 years of sacrifice and dedication to the nation," he wrote.

In her letter to the general, Mrs. Lister wrote, "I apologize to the Marine Corps and all current and former Marines for my remarks. My point — ineptly put — was that all the services had different relationships with civilian society, based in part on their culture, the size of their force and their mission."

Mark Fallmeier

Infrastructure work is under way to prepare what a magazine calls the "planet's most seductive technopark."

CORRIDOR: *Malaysia Builds State-of-the-Art Technopark With Bucolic Vistas Intact*

Continued from Page 1

regional currency crisis will have on companies planning to participate.

"I don't think anyone knows whether this is cyclical or whether it is a fundamental adjustment of all Asian currencies — who knows how long it's going to go on?" said Karen Fawcett of Booz, Allen & Hamilton, a consulting firm.

"The dips in the currencies have been so huge it would be hard to imagine that some of these plans haven't been slowed down."

But Prime Minister Mahathir bin Mohamad, the main architect and promoter of the project, sees it as an essential step in moving Malaysia's economy away from manufacturing and into higher value-added industries.

"We have no choice," he said recently.

While Kuala Lumpur recently announced that $20 billion of major projects would be frozen, work on the supercorridor has actually been speeded up. A handful of companies will be able to move into the zone in December 1998, one year ahead of schedule.

In Mr. Arif's office, the sense of urgency is palpable. Construction of the company's temporary headquarters, which houses about 100 employees, took just 28 days.

"It's very much a No. 1 government priority," said Robert Coombe, executive director of Commerce Asset Fund Managers in Kuala Lumpur. "It may not happen as quick as anticipated, but they'll be plugging away at it."

The Supercorridor gets its name from the shape of the strip of land chosen for development. Starting from Kuala Lumpur, the zone is 15 kilometers (9 miles) wide and 50 kilometers long.

Malaysia unveiled plans for the Supercorridor in August 1996, but until several weeks ago, potential investors could judge the project only through brochures and a site on the World Wide Web (http://www.mdc.com.my). Today, with the help of a four-wheel-drive truck, officials are offering a glimpse of what working in the zone will be like, although construction on most buildings is still in earthwork stages.

Bulldozers have cleared away some of the rows of oil palms, but the hills in which the trees were rooted will remain: Mr. Mahathir has ordered that they not be bulldozed away during construction.

For Malaysia, the setting is apt. Sixteen years ago, when Mr. Mahathir came to power, the country's economy was centered on palm oil and rubber plantations.

The prime minister presided over the shift to manufacturing, which now makes up about 35 percent of Malaysia's total output. With the supercorridor, Mr. Mahathir hopes to continue this government-led, top-down approach to diversify the economy further.

"To get an industry motivated and ready to go into this, it really does need someone like the government to say, 'Hey, I'm going in this direction, come along with me,'" said Mark Cullimore, a regional director at Visa International Asia-Pacific, which is involved in several projects related to the supercorridor.

"It doesn't mean the government has to pay for everything, but just the fact that it's endorsed by them gives confidence to the manufacturing industry, gives confidence to the telecom industry."

In addition to tax exemptions, companies applying for a role in the project are being offered unlimited duty-free importation of multimedia equipment. In addition, the companies are unrestricted in the number of foreign "knowledge workers" they can bring into the country, and Malaysia has promised not to censor the Internet.

TRUTH: *A Business View of Apartheid*

Continued from Page 1

had wanted to build family housing for 10 percent, but was forbidden to do so by the government.

That plea for understanding was characteristic of the tone of the hearings. For years, many executives in the liberal English-dominated business community took the line that apartheid was evil but they were powerless to stop it.

Very few executives openly opposed apartheid until the mid-1980s, when sanctions began crippling the economy. Meanwhile, many companies helped the government evade trade sanctions and thwart the oil embargo and the United Nations arms embargo so effectively that the country built a powerful arms industry and even nuclear weapons.

The hearings, intended to show that apartheid was as much business as politics, began with Archbishop Desmond Tutu, the commission's chairman, saying he was disappointed at some "glaring absences." White labor unions, white farmers, and wine-making cooperatives and oil companies had offered no submissions.

In the first two days, testimony focused largely on how helpless or blameless business was and how staunchly, albeit quietly, some executives resisted apartheid. Anton Ruppert, the 80-year-old founder of the Rembrandt tobacco fortune, even released a letter he sent to President P. W. Botha in 1986, asking him to reject a doctrine "that is degrading a once-heroic nation to be the lepers of the world" and warning that Afrikaners would "one day surely end up with a Nuremberg."

Armaments Corp. of South Africa Ltd., or Armscor, the government-owned armaments concern that supplied weapons to the police and army, said it never committed human rights violations and never imagined that its weapons would be turned on other South Africans.

BAGGAGE: *Carry-On Luggage Poses Safety Threat, Crews Say*

Continued from Page 1

Barry Valentine, acting deputy federal aviation administrator, said Thursday that the agency would not issue a rule requiring a uniform policy because "we don't want to get involved in retail-level regulating." But he said the agency would soon issue an "advisory circular" that would give better guidance to airlines, including suggested limits on the number and size of bags.

The industry says the problem has worsened because more people are flying, and passengers are taking more items on aircraft. According to industry estimates, the weight of baggage per passenger doubled in the decade after 1985, and recent spot checks indicate that average carry-ons now are even heavier.

"We're carrying more stuff and we're carrying different stuff," said Peggy Gilligan, Federal Aviation Administration deputy associate administrator for regulation and certification, who spoke to the flight attendants conference. Laptop computers, which are carried aboard flights by many passengers, were not common a decade ago, she said, and passengers can shop at airport malls before flights, creating more carry-on items.

Purses are not counted as carry-on luggage under administration guidelines, but Ms. Gilligan said she sees some that are "big enough to hold the Encyclopedia Britannica." She said the guidelines might have to deal with purses.

The Air Line Pilots Association said pilots had become concerned that excessive luggage in the cabin is causing inaccurate payload calculations that can affect takeoffs and decisions about when to abort. But the most troubling safety issue is the insistence by many passengers on dragging luggage off planes in emergencies. There have been occasions when duty-free liquor has broken at the bottom of the slide, leaving glass shards in the path of other passengers.

"It is constantly a problem," said Nora Marshall, a crash survival specialist at the National Transportation Safety Board. "Numerous evacuations have been delayed by people trying to get bags." The safety board has videotape of passengers jumping from wings with bags in each hand. Ms. Marshall said the safety board had begun an in-depth study of 25 evacuations, including a passenger survey, in an effort to determine why people react this way.

Of 60 survey forms returned so far from passengers who evacuated a Delta Air Lines L-1011 wide-body jet in Honolulu in August, 41 have acknowledged trying to take luggage with them. After the US Airways incident at Charlotte, the last flight attendant to leave the plane was confronted by a passenger who had been forced to surrender a bag during the evacuation. The crew had done an exemplary job of evacuating the plane, according to all official sources. But the passenger had only one question: "Why didn't you bring my bag with you?"

TEST: *Asian Democracy*

Continued from Page 1

director of Independent Strategy Ltd., an investment consultancy. "Now both will move into deficit, and that's tricky. You have political institutions which are pretty immature and party structures that are singularly incapable of debate in many cases." Democracy, Mr. Roche added, is "a great tool for achieving consensus and support for tough policies."

Yet Thailand — which started the region-wide turmoil when rapidly shrinking foreign reserves forced it to leave the baht at the mercy of the market on July 2 — is a parliamentary democracy that many critics say will remain fatally flawed by having too many competing, and often venal, political parties, at least until the new anti-corruption constitution takes effect.

The recently appointed Thai prime minister, Chuan Leekpai, is well regarded for his integrity. But his government, approved Friday by Thailand's constitutional monarch, King Bhumibol Adulyadej, is made up of eight parties.

Christa Marti, an economist for UBS Securities (Singapore) Pte., said that while Thailand's political conditions had improved with the new government, expectations were high — and so were potential problems.

The Philippines has an American-style presidential system of government with well-developed checks on executive power. President Fidel Ramos recently described his country as "one of the few bona fide democracies in the region."

Indonesia and Malaysia are ruled by political groups that have been in power for over three decades.

President Suharto of Indonesia and Malaysia's prime minister, Mahathir bin Mohamad, are advocates of strong government. They say Western liberal democracy is unsuited to their countries because it does not produce the political stability needed for sustained growth.

Yet in the view of many analysts, all four countries face sharply slower growth over the next few years — and in Thailand's case, a recession — chiefly because of policy mistakes.

Thailand and Indonesia sought huge standby loans arranged by the International Monetary Fund in exchange for their agreements on reform programs. The Philippines, too, turned to the IMF for assistance, while Malaysia introduced similar austerity measures and credit curbs to cool its overheated economy.

The question now is which of these four economies will be able to recover with the least pain.

Douglas Paal, president of the Asia Pacific Policy Center in Washington, said that the litmus test of reform in Indonesia was whether the business interests of Mr. Suharto's family and friends shared the pain of the IMF-approved adjustment program.

"By this test, the reform package warrants good marks," he said, referring, among other things, to the inclusion of three banks partly owned by the president's relatives among the 16 closed recently by the government to help stabilize the financial sector.

"Politically, Suharto's dominant position has, if anything, been strengthened," Mr. Paal said. "The financial crisis has increased the establishment's conviction that strong government is needed to deal with the nation's economic problems."

Many analysts said the Malaysian budget introduced last month was not tough enough. But Michel Camdessus, head of the IMF, said Thursday that if all the measures announced in the budget were carried out, Malaysia should be able to "weather the current turmoil."

Jusuf Wanandi, chairman of the supervisory board of the Center for Strategic and International Studies, in Indonesia, said that the key to recovery was not whether a country had a liberal or authoritarian political system.

"Even more basic is whether the government is good," he said. "Whatever its complexion, if the government is bad, there will be abuses, and a lack of transparency and accountability. That kind of regime will never get the economic fundamentals right."

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Albright Takes Netanyahu to Task

She Plans to Admonish Arafat Also 'to Move on the Peace Process'

By Steven Erlanger
New York Times Service

LONDON — Secretary of State Madeleine Albright expressed some irritation Friday with Prime Minister Benjamin Netanyahu of Israel, saying after long talks with him that both Israeli and American interests required faster movement toward peace in the Middle East.

"I made clear that for the sake of the Middle East peace process and for our broader mutual interests in the region, it is time for us to move on the peace process," Mrs. Albright said at a news conference with Mr. Netanyahu.

With America's moderate Arab allies distancing themselves from Washington at a time of crisis in Iraq, she called for "a greater sense of urgency" on the part of Israelis and Palestinians.

"I believe it is essential for both sides to live up to agreements and not to make any steps that make it more complicated to move the process forward," she said, then repeated firmly: "It is time to move the process forward."

Mrs. Albright meets the Palestinian leader, Yasser Arafat, on Saturday in Bern, to try to make some visible progress before she makes a brief stop Sunday at an American-sponsored Middle Eastern economic conference in Doha, Qatar, that major Arab countries are boycotting.

American officials say the lack of progress between Mr. Netanyahu and Mr. Arafat has caused that boycott, which is embarrassing to Washington, and is doing damage to both the American and Israeli position in the region — especially as Washington finds itself in a worsening confrontation with Iraq.

Israel's foreign minister, David Levy, now says he will not go to Doha, which Mr. Netanyahu denied was an insult to Mrs. Albright, because the Israeli minister for trade, Natan Sharansky, is going.

Mrs. Albright, for her part, said she would attend the Doha conference "because America keeps its word."

While saying her conversations here with Mr. Netanyahu were "useful," Mrs. Albright, said she would not overstate progress, but would "reserve judgment" until she discovered how Mr. Arafat reacted to Mr. Netanyahu's positions.

She said she would repeat similar admonitions to Mr. Arafat.

But it is difficult, Arab diplomats say, to try to restore Arab and Palestinian trust in the peace process as Mr. Netanyahu has exercised it.

His hesitation to complete the detailed implementation of measures already agreed upon, like an airport and seaport in Gaza, is made worse, they say, by his clear reluctance — given domestic political pressures and his own mistrust of Palestinian promises to fight terrorism — to withdraw more Israeli troops from the West Bank, as he was scheduled to do in September.

Mrs. Albright is meeting Mr. Netanyahu and Mr. Arafat to try to consolidate and build on the limited progress made in Washington talks last week between Israeli and Palestinian negotiators "to try to avoid the usual dissipation and slippage" that follows such talks, a senior American official said.

But he admitted there were "wide gaps" in the more important political agenda, which includes better Palestinian cooperation with Israel on security; the date, extent and manner of the next redeployment of Israeli troops from the West Bank, and the need for a "time-out" on provocative or unilateral actions on both sides, all of which will lead to an agreement on holding accelerated "final status" talks to try to reach an Israeli-Palestinian settlement.

"Real progress is measured in agreements," the senior American official said, "and we have to reach some real agreements soon. The secretary said in June that we're in a crisis of confidence. And we won't get out of it until the Palestinians and Israelis get together and solve problems."

On her first official trip to the Middle East this summer, Mrs. Albright said she would not return there "just to tread water."

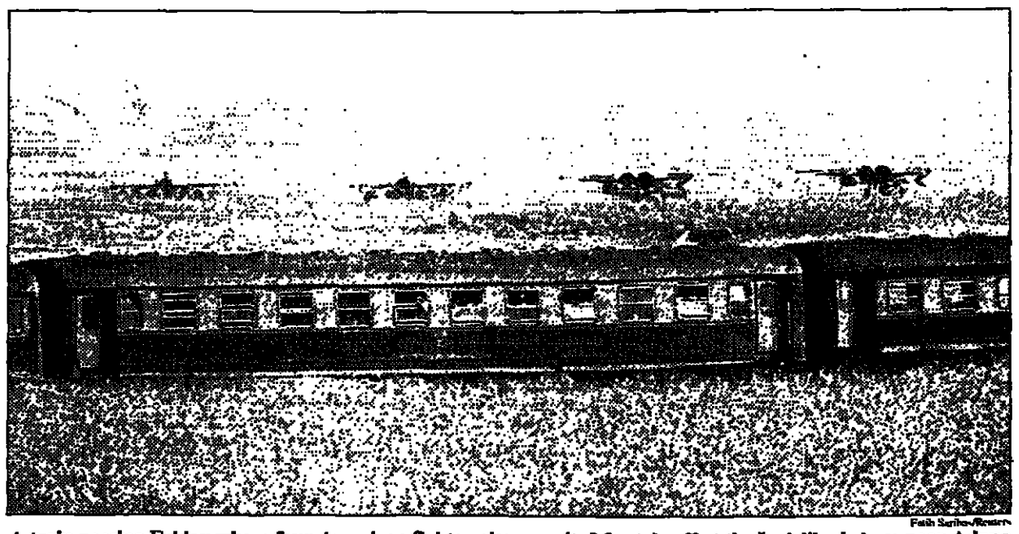
Asked if she is treading water in London instead, she said: "After I see Chairman Arafat and I see some results, I'll be able to tell you whether I'm able to take my first stroke."

Asked if Mrs. Albright were not really engaged in "damage control," another senior official said damage control was crucial now.

But he said it could also begin to produce the confidence on both sides to move to the harder issues of a final negotiation, in which serious tradeoffs could be made.

Mr. Netanyahu was painfully polite, saying that Israel was "committed to keep our side of the agreements, and we'd like to see similar commitments from the other side."

He said Israel was committed to peace, stressed Israel's security concerns, and said, "We support the efforts of the United States to move the process forward."



Faith Saribe/Reuters

A train passing Friday where four American fighter planes waited for takeoff at the Incirlik air base near Adana in southern Turkey. Western aircraft monitoring the exclusion zone in Iraq use the joint Turkish-U.S. base.

Jamal Nasrallah/Agence France-Presse

Iraqis at a Baghdad mosque Friday after the expulsion of the inspectors.

OPTIONS: *U.S. Response Seen as More Problematic, This Time*

Continued from Page 1

achieve the resumption of unconditional inspections."

To this end, a number of specialists said, military action may have to extend well beyond the one- or two-day missile volleys and bombing runs that have characterized the U.S. attacks launched against Iraq since the end of the war.

"If the objective is to get Saddam to comply with inspections," said Zalmay Khalilzad, a senior defense official under Mr. Bush, "then it's possible limited strikes won't work. That means the military action will have to be large and sustained enough until he does comply."

Such a prolonged military campaign could tax public patience in the United States, experts said. It also would compound the evident difficulties that U.S. officials are having in garnering support for military action among those European and Arab allies that joined in the 1991 war to oust Iraqi troops from Kuwait.

"In some ways, this is a more serious military challenge than we've faced before in that it is not the imminent use of force against Kuwait or northern Iraq," said a senior Pentagon officer involved in the military planning. "It involves the potential use of much more damaging military weaponry, namely weapons of mass destruction. That's what this is all about."

Defense officials have reported no plans in recent days to move additional U.S. forces to the Gulf region. The roughly 200 land- and sea-based aircraft in the area, along with dozens of Tomahawk cruise missiles aboard several ships and a submarine, are sufficient to respond to any attack on U.S. forces in the region, officials said.

The risk that air strikes on suspected storage or production sites could end up releasing germ agents and killing thousands suggests that any U.S. military campaign would target other locations, even if the ultimate objective is to root out Mr. Saddam's stockpiles and prevent the manufacture of more. Further complicating the targeting of such sites is that the agents and related equipment may be easily movable. Moreover, the sites sometimes can have a benign, dual civilian use.

"The ability to target and destroy, you don't do that in these cases from the air," said retired General J.H. Binford Peay, who stepped down earlier this year as head of the military's Central Command, which oversees U.S. military operations in the Gulf region. "You have to go in there and physically capture them. Otherwise, you can never satisfy yourself that you've taken them all out."

Since the prospect of sending U.S. ground troops into Iraq seems especially remote, the discussion among specialists of viable military options tends to center around possible air strikes.

Any use of force, senior Defense Department officials said, would be governed by a sense of "proportionality," which they said does not necessarily mean small or limited action but rather action that is relevant to the stated objective of ensuring Iraq's compliance with UN sanctions. Some advocates of force, though, also see a sustained bombing campaign as a means of ousting Mr. Saddam, but this scenario has many skeptics given the Iraqi leader's ability to retain power.

"Hard-liners who advocate a robust military response to attack Saddam's military and support groups feel it would weaken him and might trigger action to remove him," said Phoebe Marr of the National Defense University.

"This would weaken him but it's questionable whether it would remove him."

IRAQ: *U.S. Sends Another Carrier to Gulf*

Continued from Page 1

Alluding to complaints from the France, Russia and Italy that the Iraqi people, and not Mr. Saddam or his army, are suffering most from the UN boycott of Iraq, Mr. Cook said that Britain and the United States wanted to stress that "our quarrel is with Saddam Hussein and not the people of Iraq."

U.S. officials said the UN had been slow to act on Iraqi applications under the resolution and had not been efficient at getting food and medicine to the people who need them.

But the promised gesture of more-efficient aid, should Mr. Saddam accede, seemed more designed to keep the Security Council unified for the display of military force that may be required to get the Iraqis to let UN inspectors return.

The return is the real aim of American policy, the officials said. France used unusually harsh diplomatic language Friday to press Mr. Saddam to back down.

"The crisis is serious," said the Foreign Ministry spokesman, Anne Gazeau-Secret. "France wants a way out of the crisis, but it's all in the hands of the Iraqis. There is only one way out. There is only one: that Iraq comply with the Security Council.

"If they persist in their attitude, well, there will be serious consequences, and they are grave consequences," she said. *(AP, NYT, Reuters, AFP)*

12 EU Envoys Return to Iran

The Associated Press

TEHRAN — The return of most European Union ambassadors to Tehran after a seven-month diplomatic dispute shows that Iran cannot be ignored despite U.S. efforts to isolate it, a senior government cleric said Friday.

The United States tried hard to stop the EU from cooperating with Iran but it failed in its attempt, Ayatollah Mohammed Emami-Kashani, spokesman of the Parliament's Guardian Council, said in a sermon.

Twelve envoys returned earlier Friday, paving the way for Iran to end its worst diplomatic crisis in years, which began in April when a German court implicated Iran's top leaders in the 1992 assassination of Kurdish-Iranian dissidents in Berlin.

Soon after the ruling, all 15 EU members withdrew their diplomatic representatives.

No Iranian official was on hand to receive the ambassadors when they returned together aboard a Swissair flight at Mehrabad Airport in Tehran. The ambassadors of France, Germany and Portugal are yet to return.

"The return of the EU ambassadors in Tehran, which took place after they themselves requested it, indicates that the EU cannot ignore its cooperation with Iran," Ayatollah Emami-Kashani said in a Tehran University sermon broadcast by the state-run radio.

The ambassadors would have come earlier, but their governments decided to put their return on hold after Iran insisted that the German envoy be the last one to resume his post.

In a face-saving deal, Iran agreed to allow the German ambassador to arrive at an unspecified date along with his French counterpart.

Diplomatic sources said the Portuguese ambassador could not come with the others because of an unrelated prior engagement and that he would arrive shortly.

Britain does not have an ambassador in Tehran, and its chargé d'affaires was among those who returned.

Before the quarrel, Germany was Iran's largest Western trade partner. Several EU nations have been involved in large projects in Iran and were eager to mend fences with the Iranians.

Iran has been gratified by a recent EU rejection of U.S. sanctions against Tehran, aimed at punishing companies that have large investments in Iran. The United States considers Iran a rogue state promoting terrorism.

In September, the EU said it would stand behind a $2 billion deal signed by a French-led consortium to develop gas fields in Iran.

Papon Is Hit by Fatigue

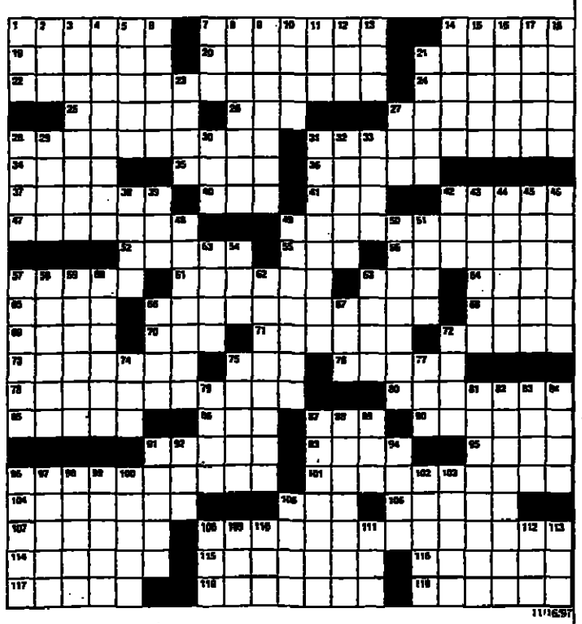
The Associated Press

BORDEAUX, France — Fatigue overwhelmed Maurice Papon on Friday, forcing the presiding judge to cut short questioning just as the court was to hear testimony about Mr. Papon's role in dealing with Jewish affairs under the Vichy regime.

During a break after three hours of intense questioning by lawyers and the presiding judge, doctors administered oxygen and medicine to Mr. Papon.

Moments later, the judge, Jean-Louis Castagnede, suspended the remainder of the session. He said court would resume Monday. Mr. Papon, 87, is accused in the detention and deportation of 1,690 Jews during World War II.

C PLUS By Frank Longo



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47 Constellation north of Taurus
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66 *Something too tough for talons?*
68 "Like — — not!"
69 Not many
70 Free
71 *Heat*
72 St. — University
73 Investor's concern
75 "— — in apple"
76 Draw forth
78 Country legend tees off?
80 Thick vegetable soup
85 Hilton alternative
86 Ad —
87 Atlantis docked with it
90 Pressure, in a way
91 Garth Brooks's birthplace
93 Former Davis Cup coach
95 Tasty
96 Sculptor's creation?
101 Overfill airplane areas?
104 Loser
105 "Gotcha"
106 Vacuum tube filler
107 "I Will Survive" singer
108 Psycho with intense desires?
114 Touches up
115 Rival of Oprah
116 Pledge
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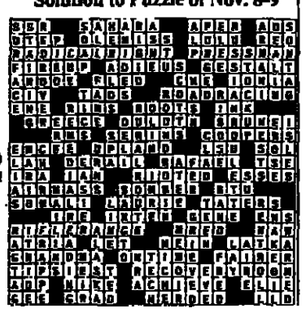
DOWN
1 Like some wine
2 Grp. with a staff in its symbol
3 Pressure unit
4 Algonquian Indian confederation
5 Prepare to shoot
6 Old-fashioned contraction
7 Cousin of -esque
8 Kind of curve
9 Jazzman Mose
10 "Mi — Loca" (Pam Tillis hit)
11 Poet's adverb
12 Burn up
13 Shanty material
14 Lots
15 Buzz off
16 Mother Teresa, notably
17 Right at the beginning?
18 "It's worth ——!"
21 The Beatles' "—— Woman"
23 Links rental
27 Pres. initials
28 Crack in the cold, maybe
29 "Frank & Jesse" co-star
30 First name in shipping
31 Glee clubs
32 Kind of artery
33 The U.A.E. belongs to it
38 P.I.'s
39 South, to the south
42 "—— Man Answers" (1962 comedy)
43 "The Taming of the Shrew" servant
44 Bebe's "Cheers" role
45 King of the fairies
46 To astronomers, they're hot and blue
48 Comparatively cantankerous
49 Durable wood
50 Nervous
51 Dial letters
53 Beverage for Beowulf
54 528i or Z3, e.g.
57 Toast
58 Hardly handsome
59 "Twelfth Night" countess
60 *It may be pending*
62 Israel's first U.N. representative
63 Squeezed (out)
66 "Phooey!"
67 Tucked away
72 Ballet jump
74 Spiker's barrier
75 Dispatch boat
77 Old radio's —— Stoopnagle
79 Pandora's boxful
81 Poster material
82 Pastor, sometimes
83 Proceed
84 Loaf pair
87 Man alternative
88 Archipelago components
89 Christogram letter
91 Crying
92 *Cunerary vessel*
94 On a par, in Paris
96 Not forthright
97 Andes climber
98 To date
99 Department north of Nievre
100 Elbows
102 Pouring pot
103 "—— Dei"
105 Calling company?
108 —— *de coeur* (pained utterance)
109 Sinbad's transport
110 Loser to Norton, 1973
111 *It may be natural*
112 Sade's "Is —— Crime"
113 Young and Coleman

Solution to Puzzle of Nov. 8-9



Southern Africa Trade & Investment Summit

Botswana, November 18–19, 1997

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Judging Terrorists

The arithmetic of terrorism doesn't add up very well. A tally of incidents and deaths, trials and convictions, leads to an imperfect accounting. Certainly it provides scant justice for the victims and cold comfort for their survivors. Yet Americans are driven to search for some formulation that indicates at the least whether or how their society is bearing up under its testing. This past week there was a flurry of activity across the whole spectrum from terrorism to counterterrorism. It demonstrates at the least that although Americans are exposed to this disease both at home and abroad, they are not defenseless against it. Not a cause for citizen complacency but not a ticket for a free ride for terrorists either.

In Virginia on Tuesday, a terrorist with links to Pakistan was found guilty in the 1993 shootings of five people (two died) outside the CIA. In Karachi, Pakistan, on Wednesday, four American oil company employees were murdered, conceivably in revenge for the U.S. conviction. In New York on Wednesday, two more terrorists, in addition to an earlier four, were found guilty of conspiring to blow up the World Trade Center nearly five years ago; six people died and 1,000 were wounded. In Denver, the trial continues of the second suspect in the Oklahoma City bombing case (168 dead). In Sacramento, California, the trial of the "Unabomber" opened (three dead, two dozen maimed).

What is striking in this listing is the formidable diligence — and sometimes the raw luck — of law enforcement officials in catching and convicting suspects. A similar sense of professionalism is conveyed by the coincidental FBI finding, after long investigation, of "absolutely no evidence" of criminality in the 1996 crash of TWA Flight 800. Police pursuits and court trials necessarily come after the event and go slowly, but they are essential to keeping up public morale and to warning, if not deterring, future terrorists. Vigilance is easier to maintain if its fruits can be demonstrated from time to time.

Unfortunately, the week's cases also stir concern for their evidence that large crimes and conspiracies can be launched by small numbers of people, some of them perhaps even operating on their own without the logistical or political backup of an organized group or government. It is bad enough if a state sponsors terrorism, but at least the number of criminal states is finite and there are ways to hold states accountable. Lone or small-cell operators or free-lancers, however, may lack organizational resources but possess a capacity for self-starting and self-sustaining and for concealment. That some of these operators have been convicted or are being tried is cause for sober satisfaction.

—THE WASHINGTON POST

Empty Chairs in Qatar

Arab countries that favor long-term stability in the Middle East are making a sad mistake by boycotting this weekend's economic conference in Qatar and by resisting more forceful steps to keep Saddam Hussein of Iraq from developing weapons of mass destruction.

Staying away from the fourth annual Middle East and North Africa economic conference at Doha can only hurt the Israeli-Palestinian peace process. The meeting is designed to build the kind of economic links that brought reconciliation between foes like France and Germany after World War II. But when countries long commited to peace, like Egypt and Morocco, and U.S. allies like Saudi Arabia stay away, they reinforce the efforts of extremists on both sides of the Arab-Israeli divide.

The reluctance of many Arab countries to apply meaningful international pressure on Saddam Hussein over his escalating challenge to United Nations arms inspectors is similarly self-defeating. But as Iraq's 1990 invasion of Kuwait demonstrated, it is the Arab Middle East that would face the first and gravest dangers should the Iraqi dictator build any deliverable biological, chemical or nuclear weapons.

The countries shunning the Doha conference say they are expressing anger at Prime Minister Benjamin Netanyahu of Israel and at America's refusal to condemn Mr. Netanyahu's policies toward the Palestinians. They also want to show Israel that there will be no end to its economic isolation in the region if it refuses to follow up on the Oslo peace agreements. But the Netanyahu government cares little about economic bridges with the Middle East, preferring to cultivate trade and investment ties with Europe and East Asia.

It was the United States that pushed hardest for Arab countries to participate and is now most discouraged by their absence. Jordan, Kuwait, Oman, Tunisia, Yemen and the host, Qatar, are the only Arab countries planning to send official delegations. Secretary of State Madeleine Albright will attend, but the absence of so many of her Arab counterparts shows how readily setbacks in one area of Middle East peacemaking lead to further reversals elsewhere.

The rare gesture of hope was made by King Hussein of Jordan. Despite his rage at an Israeli assassination attempt in Amman this fall, he is sending a representative to Doha. Others should learn from his vision and courage.

—THE NEW YORK TIMES.

Senatorial Tantrum

Republicans on the Senate Judiciary Committee acted with contempt for civil rights and the rights of Senate colleagues Thursday when they refused to clear Bill Clinton's nominee for the top civil rights job in the Justice Department. The nominee, Bill Lann Lee, is an outstanding lawyer who had become a target for conservatives opposed to affirmative action. Senate Democrats believed he could have won confirmation. But with the eloquent exception of Arlen Specter of Pennsylvania, Republicans on the Judiciary Committee opposed his nomination.

Mr. Lee offended conservatives simply because he favors upholding the law, which includes using affirmative action as a remedy for some civil rights violations. Senator Orrin Hatch of Utah, the committee chairman, is convinced that the public opposes affirmative action, but his fear of a debate belies that contention. President Clinton now has the option of making a recess appointment of Mr. Lee and bringing his nomination up again later. The White House should stand by affirmative action and back Mr. Lee's nomination to this post.

The assault on Mr. Lee was part of a larger undertaking by Trent Lott, the Senate majority leader, to do the bidding of extreme conservative groups in blocking nominees for judgeships, subcabinet posts and ambassadors. In the last week, the Senate appears to have been stung enough by criticism of its obstructionism to push through some important appointments, including four more judgeships sent to the floor by Mr. Hatch's committee Thursday. But much more needs to be done. No less an authority than Chief Justice William Rehnquist has warned that the number of vacancies on the federal bench is strangling the system.

In his defense of the Lee nomination, Mr. Specter warned that spurning the cause of civil rights had cast the Republican Party out of the mainstream. The Senate likes to think of itself as the world's greatest deliberative body. Its behavior here is not deliberation, however. It is a temper tantrum.

—THE NEW YORK TIMES.

Other Comment

Mexicans Can Join the Fight

Ordinary Mexicans could help [fight drug trafficking]. Ranch-hands should stop singing the praises of mob bosses, clergy stop taking their money, bankers stop laundering it. Mexicans have shown they are ready for a break with the past. But could they bear the backlash? Colombia's case suggests they might. In Cali, citizens boycotted shops and restaurants owned by traffickers. It is possible to beat down the influence of the traffickers. A former Colombian president said: "As long as the Americans are prohibitionist, we need to be even more hard-line, or risk having every institution of our democracy overwhelmed by narco-corruption."

The Economist (London).

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Time to Take Both Sides' Nuclear Forces Off Alert

By Bruce Blair, Harold Feiveson and Frank von Hippel

WASHINGTON — Faced with the erosion of Russia's ability to control its nuclear weapons, President Bill Clinton should initiate a process of reciprocal unilateral actions with President Boris Yeltsin. The process would be similar to the actions initiated by President George Bush six years ago to allow Mikhail Gorbachev to withdraw to Russia tactical nuclear weapons from the other republics when the Soviet Union began to disintegrate.

This time the need is to allow Russia to take its nuclear missiles off their accident prone launch-on-warning posture. Both the United States and Russia retain this Cold War stance despite the pledges of Mr. Clinton and Mr. Yeltsin to stop aiming strategic missiles at each other's countries.

Their missiles' hair triggers remain operational inasmuch as U.S. and Russian commanders need only a few seconds to reload the target coordinates into the missile-guidance computers.

The United States will have to take the first step, because the survival of most of Russia's missile warheads depends on Russia launching them at the first sign of enemy attack. The number of invulnerable Russian warheads deployed at sea or on land-mobile missiles deployed away from their bases has fallen to about 200. The United States keeps missiles carrying more than 2,000 warheads on submarines at sea at all times.

Specifically, Mr. Clinton should order the U.S. Strategic Command to take the following actions:

• Remove to storage the 500 warheads carried by U.S. MX missiles. These highly accurate missiles, specifically designed to attack their Russian counterparts, are to be deactivated by 2003 in any case under the START-2 agreement.

• Open the safety switches inside the silos of the 500 Minuteman-3 missiles so that they cannot be launched before maintenance crews revisit each silo. President Bush immobilized 450 Minuteman-2 missiles in this fashion in the fall of 1991. Mr. Gorbachev reciprocated. If Mr. Yeltsin reciprocates this time, both countries should take further steps to immobilize their missiles in a manner that would take longer to reverse and be easier to monitor.

• Deactivate the eight U.S. ballistic-missile submarines that would otherwise be slowly retired over the next 10 years under START-2 and START-3 agreements and put in storage half of the warheads carried by each of the 10 remaining submarines. The stored warheads should include all the 400 high-yield W88s, which pose a first-strike threat to Russia's missile silos. To lend further stability, the sea-based missiles should be kept at least one day from launch readiness.

After adopting these measures, the United States would still have a potent and invulnerable deterrent force of about 600 warheads at sea, each with several times the destructive power of the bomb that destroyed Hiroshima. This dampens any pressure to re-alert more forces during a crisis.

In response to these U.S. initiatives, America would expect Mr. Yeltsin to order immediate deactivation of the silo-based missiles slated for elimination under the START-2 treaty. These missiles carry almost 3,000 warheads. The United States would also expect him to order the removal of the warheads from Russia's rail-based missiles and deactivation of the 15 or so Russian ballistic-missile submarines that will be retired over the next 10 years under START-2 and START-3.

Most of these de-alerting initiatives could be readily verified through routine satellite observation and the on-site inspections already being conducted to verify existing agreements. Verification that submarine missiles at sea have been de-alerted will require the parties to devise new monitoring arrangements.

Without in any way weakening deterrence, these initiatives would substantially reduce the risk of an accidental nuclear catastrophe.

Mr. Blair is a senior fellow at the Brookings Institution; Mr. Feiveson is a senior research scholar at Princeton, and Mr. von Hippel is a professor of public and international affairs there. They contributed this comment to The Washington Post.

It's Up to the Iraqi People to Decide the Tyrant's Fate

By William Pfaff

PARIS — Of the serious problems associated with "doing something" about Saddam Hussein, the first is that those measures currently feasible won't work. President Saddam has more than sufficiently demonstrated that neither sanctions nor bombings and missile attacks will make him yield.

He has survived two devastating wars. That with Iran was one of the most terrible of the 20th century, and the Gulf War did his power no lasting harm. He has since crushed American-sponsored or supported opposition groups, and decapitated military conspiracies.

Whatever the U.S. government may say about Iraq, Congress has no stomach for another real war with that country. New bombing, or missile attacks from a distance, meant to kill him and destroy his military installations, offer no serious prospect of changing Iraqi policy for the better.

Mr. Saddam is driven by ambition, survival or megalomania, but his policies have roots in Iraqi history and nationalism, as well as in paranoia and ignorance. The ignorance should not be underestimated.

French diplomatic sources are quoted as saying recently that Mr. Saddam "understands nothing. He knows nothing of the outside world. Even in the Arab world he only knows Baghdad and his native city, Tikrit."

Some in the Washington and New York policy communities still think the United States able to arrange a "revolution" in Iraq, despite its demonstrated inability to do so anywhere else. Such is the recommendation of David Wurmser, who heads the Middle East program at the American Enterprise Institute.

Two former Defense Department officials, Paul Wolfowitz and Zalmay Khalilzad, have proposed an international campaign to "de-legitimize" President Saddam by obtaining international recognition for an Iraqi government in exile, seizing Iraq's foreign assets and handing them over to this government, enlisting other Arab states, European allies and Turkey in this program (while avoiding creation of a Kurdish state), all the while supporting this government with "sustained but discriminating military action" — and, as Lewis Carroll's Alice might have said, doing six other impossible things before breakfast.

People do not automatically get the governments they deserve, but the governments they do get are the product of their societies, political condition, geopolitical position and their history. In the end people are responsible for the governments which they get — or which they tolerate.

Certainly Iraq is a police state, but no foreign nation has imposed that police regime upon the Iraqi people, and they have thus far failed to show a willingness to pay a serious cost to get rid of it. Washington cannot change that.

If an end is to be put to Mr. Saddam's reign, the Iraqis will have to do it. In the postwar period, Cubans, Vietnamese, Egyptians, Algerians, Hungarians, Czechs and Poles have all managed to forcibly divest themselves of oppressive governments (even if the Hungarian and Czech outcomes were reversed by Soviet invasion). If the Iraqis don't like their government they can rise against it. They can have a real revolution, not Mr. Wurmser's fancied one.

In fact, more or less the present state of affairs has been tolerated by Iraqis ever since Iraq became fully independent. The monarchy that existed under British suzerainty from 1921 to 1958 was not a bad government by contemporary standards, but it was not a tolerant one, and it failed to survive the rise of Arab nationalism in the 1950s.

It was overthrown by a military coup in 1958, the monarch, crown prince and prime minister all murdered, and the British expelled from the country. The deposed government had shortly before been a founding member of the American-sponsored anti-Soviet Baghdad Pact alliance.

The military government that took the monarchy's place was overturned in 1963 by another coup d'état, its leader in turn murdered. Other coups succeeded in 1966 and 1968, the latter bringing to power the Ba'ath party. In the Ba'ath government Saddam Hussein was first the vice president, and then, in 1979, by a peaceful transition, the president.

Through these years the crucial factors at work were anti-colonialism, the rivalry with, or threat from, Iran, the struggle with Iraqi Kurds seeking an independent state, and the quarrel over Kuwait's sovereignty — which the 1958 government had disputed, the 1963 government conceded, and Mr. Saddam's government attempted to crush by invading Kuwait in 1990.

No solution to the problem of Iraq is possible without taking all of this into account.

Mr. Saddam is a problem to the international community, but not a very big one. The strategic importance of his country is only moderate.

He wants his weapons of mass destruction to deter attack. His Arab and Iranian neighbors fear him. The international community detests him. His country is rich with oil, but he still has to sell it. There is no utility in withholding it from the market. His life expectancy is problematical, to judge from the experience of his predecessors.

But all of that is the affair of his countrymen, and so is what happens to Iraq when he is gone. The United States is an irrelevance; and Iraq, fundamentally, is irrelevant to the United States.

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Netanyahu's Problem Has a Solution, and It's Within

By A.M. Rosenthal

TEL AVIV — Benjamin Netanyahu has a problem. If he allows it to go on, it can overshadow his own substantial accomplishments as prime minister of Israel. Simply and entirely gently, Yitzhak Shamir, the last conservative Israeli prime minister before Mr. Netanyahu, gave the solution in one sentence: "Bibi will have to teach himself about himself."

In office 18 months, Mr. Netanyahu has been bringing about the two changes that Israelis who elected him wanted most.

First: He stiffened Israel's struggle against Palestinian terrorism. He did it while showing a flexibility about Palestinians as a people that ran counter to the tenets of his own party. Without a great fuss, he dropped Likud's articles of faith against all Palestinian ambitions for separate territory and political authority.

Nothing for nothing — or reciprocity, as he calls it. Next week he will make public proposals for a final deal. They will ask the Palestinians to face some realities themselves.

Second: Mr. Netanyahu moved toward his goal of creating "Israel's first capitalist government." He pushed privatization, lowered subsidies and the deficit. He has a way to go but intends to travel it.

Israel's economy went up during his prime ministership. Israel became a hot market for foreign investments — against the predictions of Israeli businessmen hostile to his government.

The problem with Bibi Netanyahu is that so many of his friends and colleagues begin every conversation about him by saying that the problem with Bibi Netanyahu is ...

They say he makes policy decisions without consulting people he should consult. They say they cannot count on him to keep his word to them, or his promises. They say he is imperious in manner and governing style. At political rallies Israelis often shout to a leader that he is "the king of Israel" — but don't want him to act as if he really believes it. They say he is managing clumsily, behaving pompously, and makes valuable supporters feel like outsiders.

How much of this criticism is his fault, how much comes from the jealousy of politicians he pushed aside? The kindest estimate I got from any of his friends in Israel was 50-50.

At home, Mr. Netanyahu is vilified by the Labor Party he defeated and a press almost comically biased against him and Likud. The widow of Yitzhak Rabin publicly holds him morally responsible — at least — for the murder of her husband. I am more grateful than ever for the nation-binding calm and dignity of Jackie Kennedy after Dallas.

And all around the world are governments that do not forgive him for defeating Shimon Peres and his mirage of an Israeli-Arab rose garden. Looking at Iranian and Iraqi threats to Israel, and Palestinian support for Baghdad and Tehran, Labor's new leadership sees no roses, but talks about Mr. Netanyahu as if he were a homemade Saddam.

All this enmity may not do him much harm with voters. But the fact that so many in the Likud leadership resent him will be a weakness if his proposals get to the negotiating table.

To win Israeli recognition of their existence as an "entity" — as unworthy a word now as when Arabs used it about Israel — Palestinians will have to drop their fantasies of control of Jerusalem and of the entire West Bank. For Israeli security, Mr. Netanyahu will demand control of the Jordan River Valley, the border between Jordan and the West Bank. He also wants control of the air space that the "entity" will share with Israel, and of some villages around Jerusalem.

Palestinians and anti-Israeli foreign offices will say he is not trusted even by his own cabinet so why should they? Labor will see a chance to demand a "unity government" that will return some of the power it lost in the election. Mr. Netanyahu was strong enough to get elected and struggle for Israeli safety and prosperity. His friends hope he will be strong enough to teach himself about himself.

The New York Times.

Two Leaders, Oddly in Step

By Anthony Lewis

LONDON — Richard Gephardt, meet William Hague. The Democratic leader in the U.S. House and the Conservative leader in Britain are pointing their countries and their parties in the same direction: backward toward economic and political disaster.

The two men are trying to undo the policies that have given their countries unparalleled prosperity. In America, it is the 60-year-old policy of free international trade. In Britain, it is membership in the European Union.

Mr. Gephardt has just had his greatest success: leading an overwhelming majority of Democrats in the House to kill President Bill Clinton's "fast-track" trade legislation. A few days later, Mr. Hague led the Tories in the House of Commons in futile opposition to an EU treaty — opposition that, if it had succeeded, would very likely have led in time to British withdrawal from the Union.

At the heart of Mr. Gephardt's opposition to the trade legislation was the argument that free trade costs American jobs. But that can be true only if jobs are a zero-sum game, so that using Malaysians instead of Americans to make sneakers adds that much to U.S. unemployment. And that is not what happens.

Over the last four years, with the lowest trade barriers in its history, the United States has added more than 11 million jobs to its total employed. The U.S. unemployment figure is now the lowest in 24 years: 4.7 percent.

Unemployment in Britain stands at about 6 percent, again the lowest figure in years. Britain has benefited greatly from its membership in the European Union, not just economically but in the greater variety and sophistication of life here. But Mr. Hague and his cohorts are unapologetic Little Englanders, longing to be once more an island apart from Europe.

The Congressional Democrats and the British Conservatives are alike in another respect. Both have changed their historic positions on the issue.

It was the Democrats, starting with President Franklin Roosevelt, who led the United States away from the policy of high tariffs — a policy that had helped to bring on the Great Depression. American business was largely protectionist then but has come to favor free trade strongly, as British industry supports full participation in the European Union.

And it was the Conservatives, under Prime Minister Edward Heath, who in 1972 took Britain into what was then the European Common Market. What an irony that the same party is dominated in the House of Commons today by members who seem to believe, in the old saying, that the wogs begin at Calais.

It was the Labour Party that used to have the largest share of Little Englanders. As recently as 15 years ago, Labour, then dominated by its left wing, wanted to withdraw from Europe. Today, New Labour, as Prime Minister Tony Blair christened the party, has only a minor, lingering anti-European wing.

The Blair government is still fudging its position on when or how it will join the EU's great current project, a single European currency, but it has said it will join if and when the economic factors favor British participation.

Strikingly, the labor union movement here is strongly for Europe — and for the common currency. The Trades Union Congress used to be so backward in its political-economic outlook that it was famously caricatured by the cartoonist David Low as a cart horse.

All this points to a great difference between the two countries: a difference in political leadership. Mr. Blair, accompanied by modern union leaders, has turned the moderate political left in this country toward forward-looking policies. Mr. Gephardt's Democrats and their union allies want to stop the world and get off.

Much of the failure has to be laid to Mr. Clinton. Of course an American president has far less ability to influence legislators than a prime minister does. But Mr. Clinton has hardly tried over the years. He has run for himself, not for the Democratic Party.

Mr. Clinton did not even try on the trade legislation until too late. He, and all of us, will pay the price if the world reads Mr. Gephardt's victory as the end of American leadership for expanding world trade.

The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: N.Y. Shooting

NEW YORK — Mr. I. Waldere Kirk, known as "the king of Western dudes," fired five shots at Mr. Richard R. Mandelbaum, agent of a whisky house, in the Gerard Hotel, in West Forty-fourth-street, yesterday [Nov. 13]. His victim may not live. Mr. Mandelbaum says that the shooting was intentional. Mr. Kirk denies it. The story goes that Mr. Kirk owed Mr. Mandelbaum money. The latter went to Mr. Kirk's room to get it. Whereupon a fracas occurred. It is rumored that at first the men quarreled over a woman. Mr. Kirk was held without bail.

1922: Election Fog

LONDON — To-morrow [Nov. 15] is the big day of general elections, and the last guns have been fired in the campaign. The heavy fog which makes dark the whole country is the one unexpected factor in the equation, and may overturn what looks like a sure, but small, majority for Premier Bonar Law. Where the fog enters is in the fact that Labor party supporters will vote, fog or no fog, while the comfortable Tories — ladies and gentlemen too tired to vote — may not leave their attractive firesides. The fog, which has enwrapped most of Southern England in deep gloom for the last three days, continues.

1947: Riots in Italy

ROME — The wrecking of anti-Communist political clubs and newspaper offices continued today [Nov.14] in Italy's worst wave of violence since the events twenty-five years ago which produced Fascism. Disorders in twenty-four more cities were reported, making a total of at least thirty-nine in which there have been riotous uprisings in the past four days.

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Magnificent! The Glory Of the Medici

By Roderick Conway Morris
International Herald Tribune

FLORENCE — Lorenzo de' Medici (1449-92) has conventionally been dubbed "the Magnificent," but, though he was effective at encouraging others to give commissions to fellow citizens, as a patron in his own right his activities were fairly modest.

Far more grandiose in their designs, lavish in their spending and influential on the appearance of the city as it is today were the descendants of Lorenzo's great-grandfather's brother: Cosimo I, who became Duke of Florence in 1537 and Grand Duke of Tuscany in 1569, and his sons Francesco I and Ferdinand I (who died in 1609).

Yet the era of the Medici grand dukes has never attracted the consistent attention given to that of the Florentine Republic during the 14th and 15th centuries. The flamboyantly presented show "Magnificence at the Court of the Medici: Art in Florence at the End of the 16th Century" now sets out to remedy this neglect. The exhibition, at the Pitti Palace — which was bought in 1549 and completed by Cosimo I and his wife, Eleonora of Toledo, who at the same time began laying out the still charming Boboli Gardens on the hillside behind — marks the centennial of the founding of the Kunsthistorisches Institut (Art History Institute) in Florence (and continues until Jan. 6).

The admirable Institut, used by readers from all over the world, with its vast, ever-expanding library and picture archive of more than half a million images, is a living example of the vision that made 19th-century Germany the powerhouse of systematic research in many academic fields. And the Pitti show, in the Museo degli Argenti, highlights the invaluable work of some of the most recent of a long line of German scholars, notably Ulrich Middeldorf, for 15 years director of the Institut, until 1968, and Detlef Heikamp, a curator of the exhibition.

NOT, despite the bedrock of years of research, that the exhibition is a heavyweight academic occasion. The theme is "Magnificence" and the theatrical designer Pier Luigi Pizzi has built and lighted elaborate settings in the already riotously frescoed grand ducal apartments to create a positively operatic effect, everything glittering even when not — although it frequently is — gold.

Cosimo was made duke at the age of only 18, but his combination of shrewdness, ability to react swiftly to events and readiness to be ruthless and deceitful if required — political "virtues" adumbrated by Machiavelli in "The Prince" — soon facilitated his transition from figurehead to absolute ruler. With outside assistance he conquered Florence's age-old rival Siena. The Medici grand dukes' possession of so many celebrated works of art, both ancient and modern, added immeasurably to their international prestige, but they did not rest on their laurels. While they proceeded to adorn the city with major new works, such as Bartolomeo Ammannati's Fountain of Neptune on the Piazza della Signoria and new Trinita bridge, and numerous monumental statues by Giambologna, they acquired a wealth of new decorative items: carpets and arms from the Ottoman Empire, Persia and Japan, porcelain from China, and masks from Central America, scientific instruments, samples of minerals and other natural wonders.

Florence's own workshops, meanwhile, worked overtime producing new objects, consuming a staggering variety and quantity of precious materials from lapis lazuli, rock crystal, agate and onyx to gold, diamonds, rubies and emeralds. The export of these Medici-sponsored luxury goods, sometimes as diplomatic gifts, fostered an image of opulence and power that far exceeded the reality of the grand duchy's place in the world, but succeeded in making Florentine styles and taste popular in courts all over Europe.

The epoch of the first grand dukes coincided with the apogee of Mannerism, or the final slide into the hopeless decadence of the High Renaissance — depending on one's point of view. Many of the objets d'art of the period are as striking for their ostentatious uselessness as the exquisite skill, cost and labor expended on producing them.

Many of the drawings in the last section are charming — a particularly delightful informal one being by Federico Zuccari of himself sketching a woodland scene, while his companion enjoys a picnic. But above all, the selection of sculpture by a number of artists — some not widely known — challenges the often unspoken assumption that little of enduring artistic excellence was produced in Florence in the last decades of the 16th century.

Shield with Medusa by Caravaggio.

When Promise Turns to Threat

International Herald Tribune

NEW YORK — Soaring to high heaven one day, down in the dumps the day after, the art market is getting dangerously capricious and unpredictable.

Never were contrasts as extreme as those that could be observed this week between the sensational Ganz sale of 20th-century art on Monday, when Christie's sold all of its 58 lots but one for $206.5 million, and the dreary sale of Impressionist and Modern art held at Christie's on Tuesday night. By the time Sotheby's turn came on Wednesday, the situation had become as threatening as it seemed promising after the Ganz sale.

SOUREN MELIKIAN

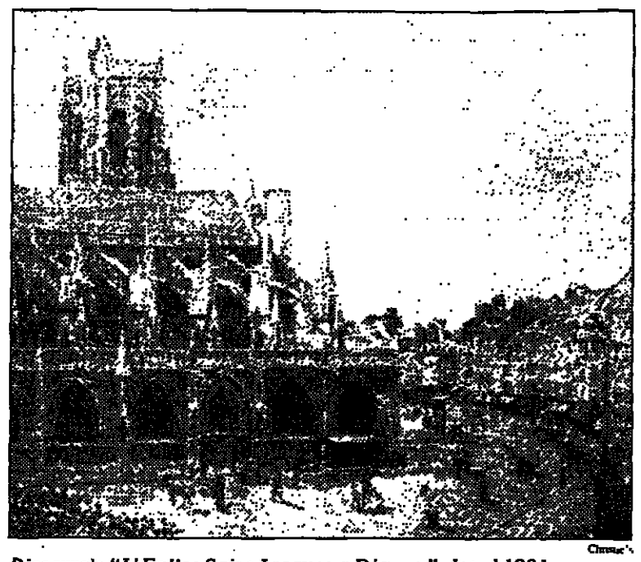
What makes the contrast remarkable is that it bears no obvious relationship to the intrinsic merit of the art that was on offer. The collection sold Monday was built by Victor and Sally Ganz over nearly five decades with total dedication, which does not mean that it was great — far from it.

The Ganzes focused on the art that was produced at the time they bought it or shortly before, making a few exceptions for early Cubism, of which Picasso's later styles, best represented in their collection, send a weakened echo.

"Femme assise dans un fauteuil (Eva)," dated 1913, a portrait of Picasso's new companion, Eva Gouel, is an exercise in Cubism with a Surrealist whiff. "Le Reve," painted on the afternoon of Jan. 24, 1932, supposedly portrays a later companion, Marie-Therese Walter. It belongs to Picasso's phase of distorted figuration, with oversimplified outlines and contrasted colors carried over from early Fauvism. A striking image, it is hardly the immortal masterpiece it had been built into, which makes the $48.4 million price positively phenomenal. Bought by the Ganzes for $7,000 in 1941, the portrait is, to date, the most stunning if posthumous commercial coup on record in art-market annals.

THE Ganzes' next-best bet was the "Femmes d'Alger" ("Algiers Women") series, of which the 15 pictures bought in 1956 from the Galerie Louis Leiris cost them $212,500. On Monday one of those, "Les Femmes d'Alger (Version 'O')," handled in spoofy fashion like some Cubist-derived poster, went for a breathtaking $31.9 million.

Did some buyers feel that evening that they were re-enacting the Ganz experience, as they turned to New York school pictures that the collectors began to acquire when Picasso's work struck them as too expensive?. The huge prices paid (Rauschenberg's "Red Interior," 1954-55, $6.38 million; Jasper Johns's "White Numbers," 1959, $7.92 million, and "Corpse and Mirror," 1974, $8.36 million) show that anything sufficiently ensconced in the not-so-ancient history of New York was being chased as an icon in the making, now that the best from the ultimate icon, Picasso, was escaping the reach of most art buyers.



Pissarro's "L'Eglise Saint Jacques a Dieppe," dated 1901.

As the last Picasso, a simple color print (a linocut) numbered 7 in a series of 50 impressions, fetched a mind-boggling $79,500, more than doubling an already huge estimate, the future looked rosy, or so an outsider might have thought with some excuse.

It took 24 hours for the market to reveal its fundamental volatility generated by the extravagantly inflationary prices whipped up over the last few years by auction houses. Belying the slogans "quality sells" and "the market is becoming selective," remarkable pictures elicited no response and mediocrities found takers in a patchy session.

A delightful early Pissarro, "Bois de chataigniers a Louveciennes" of 1872, scrambled above the reserve, selling for $2.2 million, but a stunning urban view by the same Pissarro, "L'Eglise Saint Jacques a Dieppe," dated 1901, which must rate as one of the artist's great masterpieces, remained stranded at $2.6 million.

Renoir's loosely painted portrait of a young girl with a kitsch, doll-like face was bought for an exorbitant $5 million. But when it came to Odilon Redon's truly exquisite pastel portrait of a little girl, "Genevieve de Gonet," done in 1907, the room remained dead and the pastel was bought in at a laughable $280,000. Some "selective market."

And yet, cash is not in short supply. In contrast to the failed late Pissarro of 1901, a late Monet of 1903, "Waterloo Bridge, soleil voile," brought a colossal $8.25 million. Later a stylized bronze head by Brancusi, cast in the 1920s after an alabaster of 1917, soared to a staggering $6.6 million.

In the event, of the 70 works offered by Christie's, 51 sold, adding up to $69.97 million, which is substantial. The "various owners" sale thus managed to ride some of the way on the previous evening's triumph in a markedly colder atmosphere.

Sotheby's had no such luck on Wednesday evening with the Evelyn Sharp collection. If the Ganz assemblage was second division but cohesive, this was third rate and haphazard. It took all the talent of Henry Wyndham, chairman of Sotheby's Britain, who is a skillful auctioneer, to steer 34 of its 39 lots through difficult straits and extract $41.2 million from a stone-faced attendance. But he did it at a price — literally so.

The auctioneer allowed most of the works to go below the low estimate, often by 20 percent or more. Ironically, this merely brought prices back to a more plausible level. Picasso's "Femme nue," which looks like a reject, was brilliantly sold at $3,082,500. The $3 million to $4 million estimate (plus the sale charge) was too optimistic.

Aware that it had made a strategic mistake in overestimating the collection to wrench it away from Christie's, Sotheby's management clearly gave the auctioneer leeway to sell whenever possible to avoid the greater disaster of massive failures to sell.

The reason for this was that Sotheby's had given the consignor a "guarantee," i.e. had committed itself to paying a minimum undisclosed amount. Diana Brooks, chief executive officer of the company, said at a press conference after the sale that the guarantee had not been matched by the total sold. Sotheby's promptly proceeded to negotiate privately the five unsold works, thus reducing its financial loss.

THIS is a textbook case of the practices that threaten to destroy the art market. Desperate to show that they have a bigger share of the market, the two competing world auction giants promise the earth to those who want to sell. They hike estimates, hoping that their propaganda effort will sustain them, thanks to new buyers who know no better. Then the mechanism stalls because some financial glitch diverts the attention of the new buyers or dampens their enthusiasm. It happened in the fall of 1990, and it is happening now.

But nothing is ever the same. Art has become even less abundant than in 1990, and interest in it is greater than at any time. On Thursday evening, the pendulum swung back to a middle course, at a generally lower price level, allowing Sotheby's to bag another $92.7 million worth of Impressionist and Modern Art. Renoir's 1888 "Baigneuses" portraying a lush seated woman in the nude, sold for $20.9 million, shows that where pictures are intensely desired, the sky is the limit. If the auction houses play it cool, there will be a slow, downward slide indispensable to restore sanity to the price structure. If not, big trouble lies ahead.

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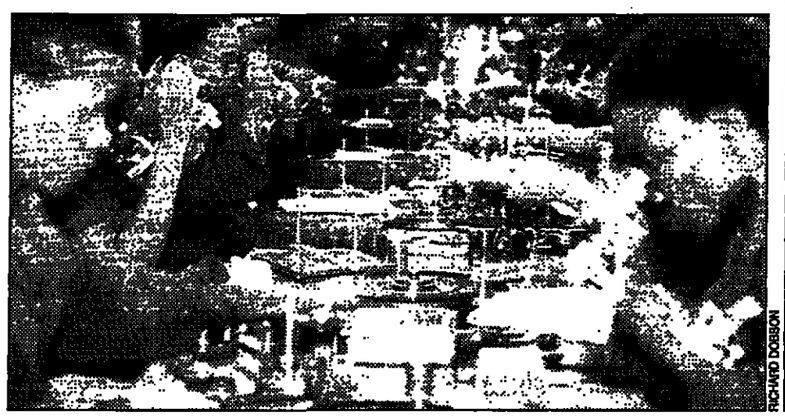
BOTSWANA

Snapshots of a country on the move, clockwise from top left: A market near the railway station in Gaberone; car parts arrive from South Korea; a diamond factory — with more than 500 employees — said to be the world's largest. Diamonds account for 70 percent of Botswana's export earnings, but the government has a new package to attract investment in other industries. In addition, the government might revive a plan to establish export processing zones, and legislation is under way to make Botswana an international finance center.

RICHARD DOBSON



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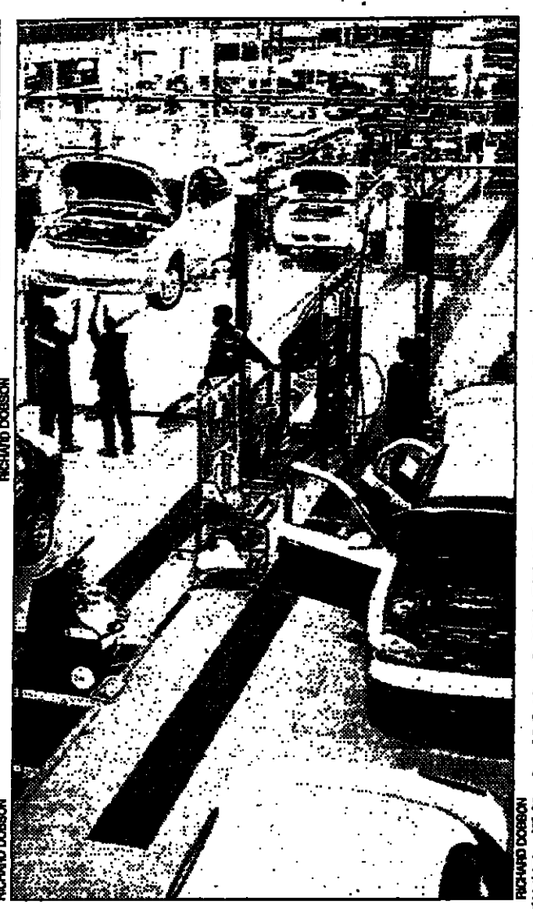


RICHARD DOBSON

TOWARD AN EXPORT-DRIVEN ECONOMY

The government is diversifying away from diamonds.

When Botswana achieved its independence from the United Kingdom in 1966, few imagined that it was destined to become the jewel in the crown of Southern African states as measured by numerous social and economic indicators.

The country was 70 percent desert, with no industry to speak of, and was geographically cut off from the ocean by the overpowering presence of white-ruled South Africa and its colony South-West Africa (now independent Namibia). Despite Botswana's nominal political independence, its chances of attracting investment seemed slim, and it faced a future as an economic satellite of South Africa, increasingly subject to that country's political domination.

Today, Botswana's political independence and economic pre-eminence are indisputable. Some years ago, it de-linked its currency, the pula, from the South African rand, and the pula has since appreciated against the rand. Botswana scores 0.741 on the United Nations Development Program's Human Development Index (HDI), which is based on national income, life expectancy and educational attainment (1 is the optimal score). This is the highest score in the region.

Botswana's foreign reserves are sufficient to cover about four years' worth of imports. By 1995, Botswana had overtaken South Africa in terms of per capita GDP, with $3,538.

Botswana owes its wealth to diamonds, which account for 70 percent of its export earnings, about 65 percent of government revenues and 33 percent of the gross domestic product.

Investing in people

Botswana has spent wisely on schools, roads and other infrastructure. Its population consists almost entirely of the Batswana people, which rules out ethnic strife.

The country does not have political or labor unrest. Regular democratic elections since independence have always returned the Botswana Democratic Party to power, although the popularity of opposition parties is increasing.

The government recognizes that new industries are needed to reduce the economy's dependence on diamonds — the most important export product — and to provide jobs for a growing population. Accordingly, the government has developed a raft of incentives to attract investment. The program is known as the Financial Assistance Package [see related article].

"The government realizes that the private sector is needed to spearhead growth," says Neo Moroka, head of the Botswana Confederation of Commerce, Industry and Manpower (Boccim) and managing director of the oil company BP Botswana. "Boccim likes to believe that it has helped the government see the wisdom of creating a more business-friendly economic environment. We had discussions with the government that led to the virtual abolition of exchange controls and the reduction of corporate and personal taxes."

State-of-the-art facilities

The most exciting non-diamond investment to date is the Hyundai auto assembly plant. In three years, automotive exports — mostly Hyundai's — have grown from virtually nothing into the country's biggest export item after diamonds. They now account for 25 percent of exports. A bigger Hyundai plant now under construction could double motor exports.

State-of-the-art facilities have also been built by the U.S. company Owens Corning, in partnership with the Botswana Development Corporation and local investors, to manufacture high-pressure glass-reinforced polyester (GRP) piping systems. This new material is lighter than the steel and concrete traditionally used in piping and is more resistant to corrosion. The plant is currently producing 250 kilometers (155 miles) of piping for a major water transfer scheme in Botswana.

"I expect that it will open new opportunities for the use of GRP for other water transfer systems around the world," says Brian Lemar, general manager.

Mr. Moroka says that with a population of only 1.5 million, Botswana will have to become an exporting country if industry is to grow. Boccim and the government are discussing the possibility of reviving an earlier attempt to establish export processing zones.

Legislation is being drafted to turn Botswana into an international finance center, where regional trade can be financed and international portfolios for offshore investors managed.

Michael Molefane, managing director of the government-owned Botswana Development Corporation, says the BDC has been given a budget to research the issue and that exploratory visits have already been made to Luxembourg and the Cayman Islands. ●

GIANT CAR PLANT FUELS INDUSTRY, NOW IN SECOND PLACE

A new plant in Gaberone that will assemble up to 60,000 Hyundai passenger cars and light commercial vehicles a year signals the biggest single success to date in lessening the dependence of Botswana's economy on diamonds. In less than four years, motor industry exports have become the country's biggest after diamonds, and motor exports are equal to about 25 percent of the value of the diamond exports.

The Korean group Hyundai established a presence in Botswana in 1993 with a plant to assemble "semi-knocked vehicles." It produced 40 vehicles that year. Total output has since risen to about 2,000 units a month, of which about 80 percent goes to South Africa — where Hyundai vehicles have become an instant hit. Construction of a new 35,000 square meter (376,737 square feet) plant is nearing completion, and full production of smaller models is to begin next April. The new plant will assemble vehicles from components that require welding, metal finishing, painting and more.

K.G. Kgoroba, Botswana's minister of commerce and industry, says motor vehicle exports to South Africa in 1995 came to 984.1 million pula ($248.36 million), or 75 percent of Botswana's exports to that country. Last year, the figure rose to 1.17 billion, or 76 percent of exports to South Africa.

An obvious choice

The new plant is the first of its kind in Southern Africa to be built from scratch in the last 20 years and is the first in Southern Africa outside South Africa.

Billy Rautenbach, managing director of the Botswana-based Hyundai Motor Distributors, says that the company set up the plant in Botswana rather than in its main market in South Africa because company tax for manufacturers in Botswana is only 15 percent, compared with 35 percent in South Africa. In addition, Botswana's currency, the pula, is the strongest in Southern Africa, reducing currency risks on the purchase of imported components. Botswana's foreign exchange reserves are the strongest in Africa, which means there is no danger of sudden government restrictions on imports. Mr. Rautenbach also cites the supportive attitude of the Botswanan government toward investors.

For his part, Mr. Kgoroba speaks of the "smooth working relationship" between the government and the motor industry, which enhances sustainable industrial development. Help from the government-owned Botswana Development Corporation in financing the new plant has cemented this relationship.

The plant will employ about 1,100 people, mostly locals, and the company will train workers to maintain Hyundai's worldwide quality standards. Groups of management and supervisory trainees are attending courses at Hyundai facilities in Korea and Indonesia. The knowledge gained will provide a valuable transfer of entirely new skills to this corner of Africa.

Mr. Kgoroba says the plant will also create opportunities for automotive component manufacturers, transport operators and advertising services. ●

DIGITAL TELECOMS IS GOING CELLULAR

Malcolm Welsh, deputy chief executive of the Botswana Telecommunications Corporation (BTC), believes he has a clear mandate.

"The government wants Botswana to become a financial services center," he says. "To achieve that, you need excellent telecommunications. We are accordingly operating and extending the most modern telecommunications network in Africa.

"It is one hundred percent digital, using fiber optic cables and wireless local loops, and has some of the fastest transmission capabilities currently available. We offer videoconferencing, VSAT [very small aperture terminal] service and resilient Internet access. Our infrastructure also provides a platform for offering a variety of other services."

Botswana is slated to get cellular telephony next year, and the government will soon announce the names of two cellular phone network operators. BTC is a member of one of the bidding consortia, but it does not compete as an Internet services provider with operators in the private sector.

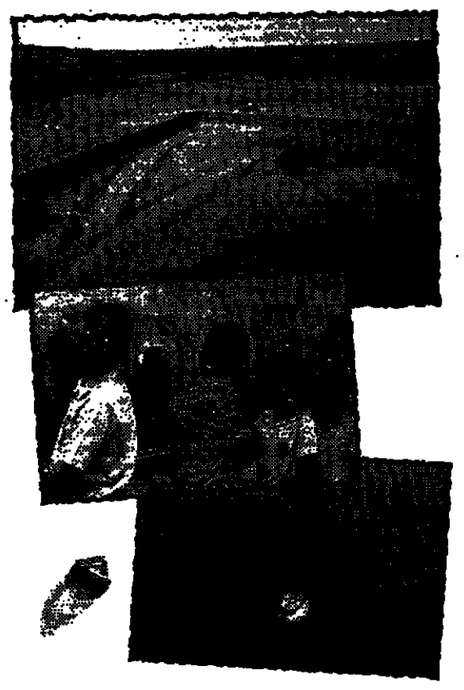
Mr. Welsh points out that although BTC is wholly owned by the government, it is not cosseted and may be privatized in due course.

"Our industry is controlled by an independent regulator and not the [communications] minister. We must appeal to the courts if we do not agree with the regulators' rulings," he says. "We are obliged to operate on commercial principles, and we have proved we can do it because we have continued to make profits while not increasing tariffs since 1990, despite inflation of more than 10 percent a year."

The British firm Cable & Wireless had a management contract with BTC for about 10 years, but ties have been loosened as BTC has become more confident about standing on its own feet. Relationships between the two organizations are still very cordial, says Mr. Welsh.

Botswana has 80,000 telephone lines — about one for every 20 inhabitants — a high density for Africa. ●

Precious Resources



The wealth of Botswana is much more than the diamonds and minerals which its rich soils yield. Its true wealth is in its people and culture, its peace and democracy and its abundant wildlife.

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BOTSWANA - A WISE INVESTMENT

There are many good reasons to consider an investment in Botswana including the following:

POLITICAL STABILITY
Since Botswana, formerly a British Protectorate, gained independence on September 30, 1966, it has established itself as one of the few successful multi-party democracies in Sub-Saharan Africa. Free, fair and peaceful general elections are held at five year intervals with the Government committed to the continual development of a sound infrastructure to support its residents and citizens - and to the maintenance of a democratic, open and non-racial society.

ECONOMIC STABILITY
At the time of independence in 1966, Botswana was one of the poorest countries in the world. Through rapid economic growth, based on its mineral resources, it is now the third most prosperous country in Africa. Its exports of diamonds, minerals and beef have helped to establish a sound economy, to raise living standards and to improve the social and economic infrastructure - and to create a basis for future development and prosperity.

LOCATION
Botswana is ideally located in the heart of the Southern African region. It is only a matter of hours away by road from the major markets of Zimbabwe, South Africa, Namibia and Zambia and is well served with an excellent network of well maintained road and air links.

LABOUR
Botswana has an educated English speaking, stable and enthusiastic workforce unfettered by militant trade unionism. Labour cost levels (in terms of productivity) compare favourably with the surrounding countries.

DEVELOPED INFRASTRUCTURE
A sound financial, banking, educational, healthcare, legal, accounting and communications infrastructure is in place providing a structured environment for investors and entrepreneurs.

For further information on Botswana please contact:
Department of Trade and
Investment Promotion (TIPA)
Private Bag 00367,
Gaborone, Botswana,
Phone (267) 351790
Fax (267) 305375
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Website: www.tipa.bw

TIPA

صكرا من الأصل

BOTSWANA

GAME PARKS STAY PRISTINE

Tourism authorities see the protection of the environment as a top priority.

The Okavango Delta is one of the world's most fascinating tourist destinations. Here the mighty Okavango River is swallowed, not by an ocean, but by the parched sands of the Kalahari Desert. Set in an arid region, the delta consists of a network of waterways, islands, swamps and flood plains. The lush vegetation is home to a rich profusion of bird and antelope species, as well as to the predators that prey on them.

The Okavango Delta is just one of Botswana's spectacular game parks. It is ranked as among the best game parks in the world.

Many game parks in Botswana are so remote and so poorly served by roads through the deserts around them that they can be reached only by light aircraft. This is perhaps a blessing, since it has kept the parks unspoiled by restricting the numbers of visitors. Tour operators help keep the land clean by flying out visitors' garbage for disposal at more conventional urban facilities.

"The world should learn its geography," says Modisa Mothoagae, director of the Hotel & Tourism Association of Botswana (Hatab). "We have wonderful tourist attractions and plenty of scope to grow our industry without damaging our ecosystems, but when some foreigners think of Africa they think of conflict zones such as Rwanda and Nigeria."

Recent legislation

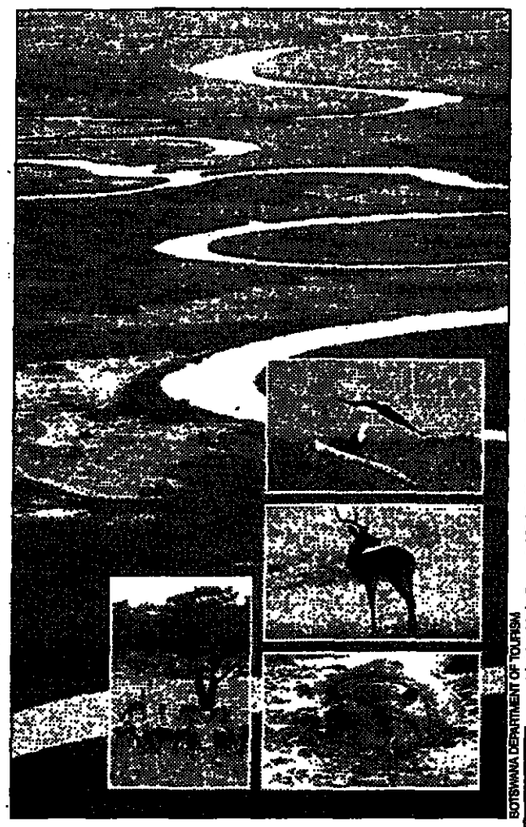
Mr. Mothoagae says recent legislation emphasizes what he calls high-cost, low-volume tourism that minimizes the impact on the environment. He points out, however, that certain game sanctuaries in more accessible parts of the country are suitable tourist destinations for those on tighter budgets.

The new legislation sets out conditions and incentives for investors to build and operate facilities in state-owned game parks on long leases. Such ventures also qualify for the generous benefits of the Financial Assistance Policy, which were previously available to manufacturers only.

"Tourism has been growing at about 11 percent a year without a policy and incentives," says Mr. Mothoagae. "It delivers a high yield from a relatively low investment. I therefore challenge investors to take advantage of these benefits," he says.

Peter Sandenbergh, managing director of Okavango Tours and Safaris, is also bullish on the growth of the industry.

"It has vast untapped potential, but it must be managed carefully," he says. "It is not only a question of the impact of tourists on the ecology but also of the impact of tourists on one another. "Ecotourism is about an illusion. The tourist must have the feeling that he or she is the first to have been there. So we try to arrange that several groups of tourists move along a given itinerary simultaneously without ever seeing each other, as they are separated by a few hours. It's the key to maximizing the utilization of the resource." ●



BOTSWANA DEPARTMENT OF TOURISM

The flora and fauna of Botswana never fail to enchant visitors.

A PACKAGE FOR INVESTORS

The government has provided tax breaks and other incentives for business.

A stable and peaceful multiparty democracy, sound macroeconomic policies, commitment to the rule of law, an increasingly well-educated workforce, new and well-maintained infrastructure, access to European and U.S. markets with special trade preferences, liberal exchange controls, low taxes, generous investment incentives and beautiful tourist attractions. These are some of the features that make Botswana an attractive investment destination, says Baledzi Gaolathe, governor of the Bank of Botswana (the country's central bank).

Mr. Gaolathe adds that the country has saved a large portion of its past income from minerals in the form of foreign exchange reserves to finance future developments and to cover contingencies.

Dihelang Tsheko, director of the government's Department of Trade & Investment Promotion (TIPA), says Botswana's corporate tax and top marginal tax rate for individuals is only 25 percent. For manufacturers and the tourism industry, it is only 15 percent.

He adds that the government's Financial Assistance Package provides a grant that initially amounts to 80 percent of the total cost of wages for unskilled labor in the first two years of activity, dropping to 20 percent in the fifth year. There is a cash grant amounting to 50 percent of training expenses and an one-off grant for each new employee (not including replacements).

Investors establishing themselves in remote areas receive additional incentives.

TIPA helps investors obtain suitable sites and aids them with bureaucratic formalities. The government-owned Botswana Development Corporation has helped the private sector finance numerous investments over the years. It recently began a phase of disinvestment by selling its equity in successfully established businesses.

Michael Molefane, managing director of the corporation, says his organization welcomes applications for financing but that investors must make a good case that their projects will be viable.

"No matter how noble the motives for an investment, we will not provide assistance unless we are certain that it is economically self-sustaining," he says. ●

SMALL STOCK EXCHANGE IS ON A ROLL

Botswana's stock market is the fastest-growing emerging market after that of Russia, says Rupert McCammon, chief executive officer of Stockbrokers Botswana.

"So far, year to date, we have grown 110 percent," he said in mid-October. "It's hardly surprising. We have one of the world's fastest-growing economies. Two years ago, growth was flattish, but last year it was about 7 percent, and this year it should also be about 7 percent, with an average of about 5 percent a year for the next five years or so. It's almost unavoidable as diamond production is being increased by about 30 percent over this period, and that will boost the entire economy."

Mr. McCammon concedes that the stock exchange is very small. It has only 18 listed companies, and total turnover amounted to only 127 million pula ($32 million) during the first nine months of this year. Still, it is well above last year's total turnover of 108 million pula.

The company with the biggest market capitalization is De Beers ($11 billion), which is of course also listed elsewhere. The locally based company with the biggest market capitalization is Sechaba Breweries ($165 million).

Mr. McCammon is the country's only stockbroker. He also runs the stock exchange and manages its trading functions. Legal and compliance functions are done by the international firm Ernst & Young.

Mr. McCammon says some of the world's biggest brokerage and investment houses are holding talks with him on establishing a presence in Botswana. Regent Fund Managers has set up shop, and its Undervalued Assets Africa Fund has bought into Botswana equities.

"They like Botswana for its liberal exchange controls and tax rates of only 15 percent for manufacturers," says Mr. McCammon, "and they are steering away from South African equities as they tend to regard these as more fully valued."

Mr. McCammon has recently explained the mysteries of equities and stock exchanges on radio and television programs. He is delighted that the government wants to introduce legislation to enable Botswana to become an international financial center. It can only help the stock market and the economy as a whole, he believes.

ADD 'CARP' TO MAKE THE DIAMONDS' FIVE CS

New state-of-the-art facilities will have a CARP (completely automated recovery plant) and a FISH (fully integrated sorthouse).

The discovery of diamonds in Botswana in the late 1960s was one of the most important events in its history.

Debswana, a diamond mining company 50 percent owned by De Beers Centenary AG and 50 percent by the Botswanan government, contributes more than 70 percent of the country's export earnings, about 65 percent of government revenues and 33 percent of the GDP.

Production began in 1971 and began to make a major impact on the economy in the early 1980s after three mines — Orapa, Letlhakane and Jwaneng — came on stream. Output rose to a peak of nearly 18 million carats in 1991 but fell to a little over 14 million carats in 1994 in response to the softening of world markets. With a pick-up in demand, it rose to 17.7 million carats in 1996.

Debswana is now investing 1.6 billion pula ($403.8 million) in the largest project it has ever undertaken in order to double the capacity of its Orapa mine from 6 million carats a year to 12 million a year by 2000. The timing may not seem auspicious as demand in Southeast Asia is not strong at present, and the economy of Japan, traditionally a big market, is stagnant. Demand in Western countries, however, is still quite firm.

"We opened the Jwaneng mine in 1979, at the worst possible time," says Louis Nchindo, managing director of Debswana. "Markets were slack then, but they improved later. We have to take a long view, and by the time the extensions to Orapa come into production, hopefully the East will have got its economic house in order."

Tenders for construction at Orapa provide for participation of Botswana companies, but Mr. Nchindo thinks that local participation could have been greater.

"Next time we will do more to involve locals as subcontractors," he says. "We must make allowances for the fact that some of them will be doing certain work for the first time. I believe that it is part of any father's duty to help his own family before he helps others. We should therefore favor our own people before foreigners."

The new facilities at Orapa will be the most modern in the world, incorporating a CARP (completely automated recovery plant) and a FISH (fully integrated sorthouse), which will dramatically reduce the risk of theft.

Botswana also produces copper, nickel, soda ash, salt and coal at facilities that are run by joint ventures between the government and private investors.

Blackie Marole, permanent secretary at the Department of Mines and a director of Debswana, says these industries are not booming since world prices are low. But he points out that the country's coal reserves could one day prove to be a boon. Botswana currently imports much of its electricity from South Africa at relatively favorable prices since South Africa has a surplus of generating capacity.

"Botswana is landlocked, and it is too expensive to transport our coal to a seaport for export," he says. "But when South Africa's generating surplus is absorbed, we will have the cheap coal to generate electricity ourselves and also perhaps to export electricity to South Africa and our other neighbors." ●

BEEF MARKET LOOKS BULLISH

The mad cow scare is abating — which is good news for this industry.

Beef was once Botswana's main export, but with export earnings in 1996 of 172 million pula ($43.4 million), it now takes a poor fourth place behind diamonds (4.626 billion pula), motor vehicles and parts (1.129 billion pula) and copper and nickel (347 million pula).

RICHARD DOBSON

High-quality beef is one of the country's top exports to Europe.

In recent years, the industry has suffered drought; cattle lung disease, which led to the destruction of 300,000 cattle; and mad cow disease in Europe, which frightened consumers across the world. But Martin Mannathoko, executive chairman of the Botswana Meat Commission, believes that the future looks bright.

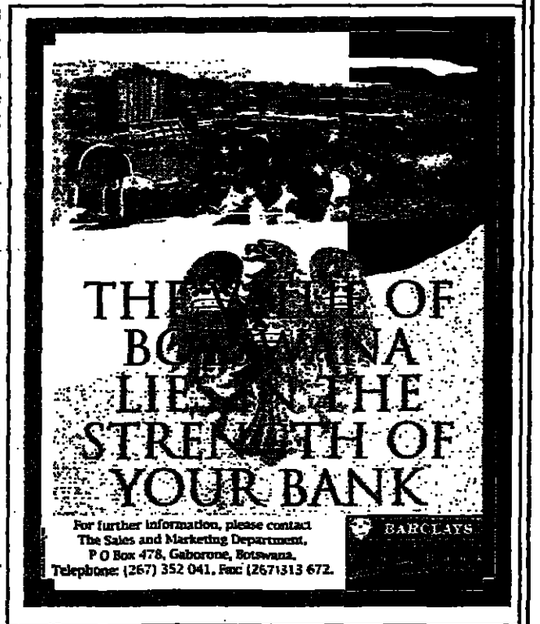
"Consumers are getting over the mad cow scare, and world consumption is rising," he says. "Besides, our beef has appeal because it is lean, is tasty and has a low bacterial count."

He attributes the cattle's healthiness to the fact that the herds in Botswana eat grass, unlike cattle in many other countries that are raised on feedlots.

Botswana has abattoirs that comply with European Union standards and an export quota of about 19,000 tons a year to the EU. The country also has a canning plant to add value to the basic beef product.

Beef production is especially important to Botswana's countryside, since by far the greatest proportion of cattle is owned by rural communities that ranch on communal land. The industry provides jobs and income that would be hard to replace in these remote regions.

Mr. Mannathoko thinks that world markets justify an increase in production. He says the country's abattoirs are currently running at only 50 percent capacity but that production will not grow significantly until ranchers learn to plan better and to fence off their land. ●



BOTSWANA MEAT COMMISSION

PRIVATE BAG 4,
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TEL: (267) 33-0321
FAX: (267) 33-0530

Botswana Meat Commission (BMC) was established by the government in 1966, to co-ordinate the production of beef from a national herd of some 2 to 3 million which is grazed on natural grasslands covering 35% of the country's 580,000 square kilometres. BMC is the sole exporter of lean Botswana beef which features prominently in markets throughout the world - particularly the European Union - and which has achieved an excellent reputation for quality. The BMC quality system is certified to ISO 9002 Standards.

The Headquarters of BMC are in Lobatse, 75 km south of the capital Gaborone. The facilities in Lobatse have been designed and constructed as a complete and integrated complex of abattoir, canning, tanning and by-products plant to handle a throughput of 800 cattle and 500 small stock per day. The branch abattoir is operated in the north-east of the country in Francistown, with a capacity of 400 cattle and 150 small stock per day.

The Commission owns marketing subsidiaries in the United Kingdom, Germany, Holland and Greece, an Insurance company in the Cayman Islands, Cold Storage facilities in the United Kingdom and South Africa and transport and property companies in Botswana.

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PROGRAM DIRECTOR: *Bill Mahder.*

NYSE

Friday's 4 P.M. Close

The 2,600 most traded stocks of the day.
Nationwide prices not reflecting late trades elsewhere.
The Associated Press.

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Chge
A-B-C										
38⅞	24¼	AAR	.48	1.3	26	483	38	37¾	37¾	+⅛
25¾	15½	ABM	.40	1.5	23	108	26⅛	26⅛	26⅛	+⅛
24⅞	18¼	ABN Am n	.54e	2.9	…	276	19⅝	19¼	19⅝	+⅛
101⅝	53⅝	ACE Ltd	.96f	1.0	11	543	92	90⅛	92	+2⅛
11	10	ACM In	.90a	8.4	…	741	10⅝	10⅝	10⅝	-⅛
8¼	7	ACM Op	.63	7.8	…	278	8⅛	7⅞	8⅛	+⅛
10¼	8⅝	ACM Sc	.90	9.1	…	858	9⅞	9⅞	9⅞	…
7	6¼	ACMSp	.57	8.7	…	829	6⅝	6⅝	6⅝	+⅛
15	11⅝	ACMMD	1.35	10.5	…	1721	13⅛	12⅞	12⅞	-⅛
10⅛	9¼	ACM MI	.90	8.9	…	200	10⅛	10⅛	10⅛	+⅛
14⅝	12½	ACMMu	.90	6.2	…	237	14⅝	14½	14⅝	+⅛
[illegible]										

D-E-F [illegible]

G-H-I [illegible]

J-K-L [illegible]

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Herald INTERNATIONAL Tribune

BUSINESS/FINANCE

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SATURDAY-SUNDAY, NOVEMBER 15-16, 1997

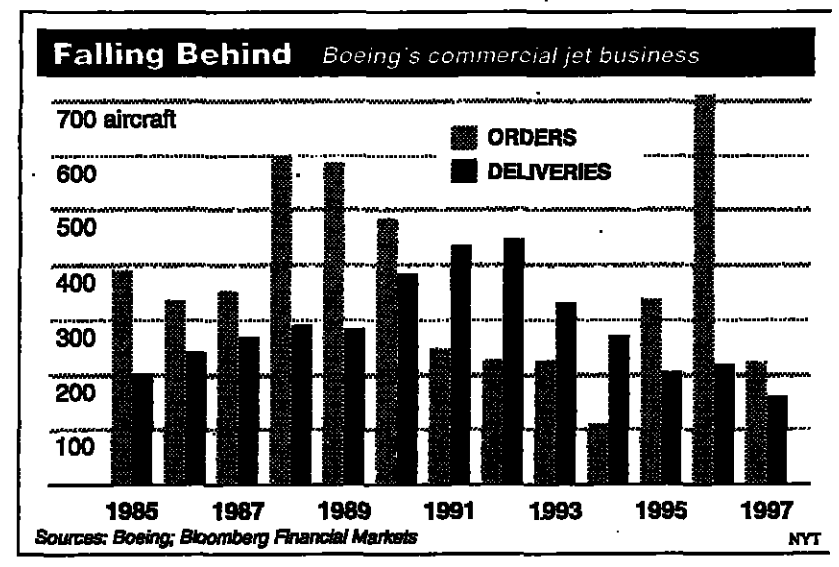
Boeing

Production of 747s, which had been temporarily halted, has resumed at Boeing's plant in Everett, Washington.

A 'Stubbed Toe' Grounds Boeing

Production Delays Bring Suits and New Approach to Building Jets

By Laurence Zuckerman
New York Times Service



EVERETT, Washington — Boeing Co. is especially proud of its gigantic assembly plant here, 30 miles north of Seattle. Cranes glide across the ceiling in a high-technology ballet, piecing together a true emblem of the modern age: the jumbo jet.

Last year, 135,000 tourists visited the factory, which covers 98.3 acres (39.3 hectares) and could comfortably house all of Disneyland.

But in September, observant visitors glimpsed a surprising spectacle: the arrival of several taxis dispatched by Boeing to pick up parts from local suppliers, parts desperately needed to move unfinished airplanes out the door.

Such not-in-time manufacturing was just one sign that Boeing's ambitious plan to more than double its monthly output, to 43 planes from 18, had spun out of control. In early October, overwhelmed by thousands of production foul-ups, Boeing temporarily halted production of the 747 as well as the smaller 737.

Then, a few weeks later, it reported a $1.6 billion third-quarter charge and its first operating loss in 28 years. The problems will cost another $1 billion next year, the company said.

Those huge sums stunned investors, who had been assured by Boeing for months that its production problems were under control.

Analysts who thought Boeing would earn $2.09 a share for the year sharply lowered their forecasts, to just 52 cents a share. Boeing shares tumbled nearly 8 percent the day the loss was announced, and have since slipped even more. Boeing's shares climbed 50 cents Friday to close at $47.8125.

The company has been deluged with shareholder suits asserting that top executives deliberately soft-pedaled the problems to prop up Boeing's share price before its $16.3 billion acquisition of McDonnell Douglas Corp. in August.

How did Boeing — regularly listed as one of the world's most admired companies and essentially a government-sanctioned monopoly to make commercial jets — mess up so badly?

The answer appears to be a combination of hubris, bad luck and poor management.

In addition to absorbing McDonnell Douglas, Boeing bought Rockwell International Corp.'s aerospace and military business for $3.2 billion last year, acquisitions that require a lot of management attention. At the same time, Boeing rang up record orders by offering airlines sharp discounts just as it was overhauling its system of tracking and supplying parts. For despite its skill at turning out one of the most complex machines ever invented, Boeing has not changed its basic approach to building airplanes since it was stamping out thousands of B-17 and B-29 bombers during World War II.

"This was sort of the four-and-a-half somersault off a 50-foot board into a pail of water," said James Womack, an author and champion of "lean manufacturing," who has worked as a consultant to Boeing.

Boeing executives say they had little choice but to increase production when orders started rolling in last year and insisted that the company would ultimately emerge stronger than ever.

"Our entire enterprise is performing at levels that they have never performed at before," said Ronald Woodard, head of Boeing's commercial airplane business. "I don't consider it a failure, I consider it a toe-stubbing."

But some Boeing customers, who have been told they may get their planes as much as two months late, disagree.

"Maybe they think they stubbed their toe; maybe others think they broke their leg," said John Plueger, executive vice president and co-chief operating officer of International Lease Finance Corp., which leases planes to airlines. "When you commit the company to do major things, you should know whether you can do them." Mr. Plueger said executives at his company had expressed concern about the situation to Boeing last year.

The most striking thing about Boeing's current troubles is that things were supposed to be different this time. The company has been buffeted by the mercurial cycles of the airline business for 30 years. When times were good, airlines ordered hundreds of planes and Boeing hired thousands of workers; when times were bad, orders collapsed and Boeing cut back.

In the late 1980s, Frank Shrontz, then Boeing's chairman, realized that the company's planes cost too much and took too long to build. He dispatched executives to Japan to learn about modern manufacturing techniques, and Boeing began to adopt a just-in-time inventory system and to shrink its supplier base. It allocated hundreds of millions of dollars to replace outdated computers.

The overhaul took on a new urgency in the early 1990s, when the world's airlines collectively lost $15 billion — more than they had earned since the beginning of commercial flight. Boeing's orders dried up, and it laid off more than 30,000 workers.

But changes at Boeing took longer than it had hoped, while the industry recovered faster than it expected. By early 1996, orders picked up, soon becoming a torrent as Boeing slashed prices to secure 20-year supply agreements with big airlines like AMR Corp.'s American, Delta Air Lines Inc. and Continental Airlines Inc.

Boeing executives were confident that they could make such deals without risk because they expected to be able to cut costs by 40 percent by the time the new planes had to be delivered, at the end of the decade. Moreover, at Boeing — where the culture is a cross between military regimentation and "Right Stuff"-style test-pilot swagger — maintaining a 60 percent market share against its lone rival, the European consortium Airbus Industrie, is paramount.

"When the market wants to buy, you better figure out how to get your product in their hands," Mr. Woodard said, because once a client chooses a company, it tends to stick with it. Studies showed, he said, that during the late 1980s, 40 percent of Airbus sales came because Boeing could not deliver on time.

One reason Boeing is not faster is that its engineers spend anywhere from 50,000 to 380,000 hours — at a cost of $7.5 million to $57 million — specifying which of as many as 6 million parts will go into each plane. Clients can order virtually any feature they want, from prayer rugs to custom lavatories.

A master parts list is then compiled. The system, called tabbing, dates to World War II, when Boeing turned out hundreds of identical planes a month.

The system works fine when all planes are the same; when each is different, it is a nightmare. Boeing, for

See BOEING, Page 18

Tokyo Stocks Fall to Lowest Point In 2 Years as Yen Drops Further

Analysts Scoff at Tokyo's Modest Stimulus Effort to End the Slide

By Erik Ipsen
International Herald Tribune

NEW YORK — Concern that the financial turmoil in Asia is heaping fresh strains on an already shaky Japanese economy helped to drive the Tokyo stock market to a two-year low Friday, further eroding the reserves of several Japanese financial institutions and pushing the yen down for the sixth consecutive day.

"You don't need a Ph.D. in economics to see the links between Japan and the Asian turmoil," said Neal MacKinnon, chief economist for Citibank in London. "Fully 45 percent of Japanese exports go to Asia, and its banks have considerable loan exposures there."

Efforts by Tokyo to arrest the slide — plans for a modest fiscal stimulus disclosed Friday — only fueled the crisis. Analysts said the new proposals added to the impression of a government powerless to turn the situation around.

"This is another nonpolicy," said Carl Weinberg, chief economist at High Frequency Economics in New York. "They are just putting more sawdust in the crankcase."

On Friday, the Nikkei stock index slipped below 15,000 before bouncing back a bit to close at 15,082 for a loss of 2.23 percent for the day. In a country where stock is commonly used as collateral on loans and where drops in the stock price can force banks to call in those loans, the Nikkei's fall poses the threat of rising corporate bankruptcies.

Falling share prices also strike at the heart of the financial system by turning what for years had been sizable cushions of unrealized stock gains into liabilities for some banks and insurance companies, turning their market value down to less than their book value of years ago.

Against that background, the London-based credit-rating concern IBCA announced it had cut the ratings of three big Japanese banks — Fuji Bank, Industrial Bank of Japan and Sakura Bank.

The agency noted that in the past eight years, Japanese banks have lost $700 million as a result of soured loans and steep declines in the values of their stock holdings. It said it would only be prudent for the Japanese authorities "to start planning for the worst."

Specifically, the agency said that in the event of a cataclysmic drop in Japanese stock prices, the government should stand prepared to nationalize the banks, as the governments of Norway and Sweden did earlier in the decade.

"With the recent fall in the Nikkei, it is time for the authorities to start planning for the worst," IBCA analysts said in a report.

At its present level, the Nikkei stands 61 percent below where it peaked on Dec. 30, 1989. It also is now fewer than 570 points above the low point of 14,517 that it touched June 30, 1995.

Concerns of major fissures opening in the Japanese financial system were highlighted by a one-day fall of more than 18 percent in the shares of Yamaichi Securities Co., Japan's fourth-largest brokerage house.

Since the beginning of the month, rumors of severe problems at Yamaichi have cut its market value by more than half. Adding insult to injury, Standard & Poor's Corp. said it was downgrading the firm's credit rating to just one notch above "junk" status.

S&P also said it was reviewing its ratings on other Japanese brokerages.

The decision followed last week's bankruptcy filing by Sanyo Securities, a second-tier brokerage.

ECONOMIC SCENE

At Big Japanese Banks, Big Troubles

By Peter Passell
New York Times Service

Banks, securities brokers and insurance companies, once too eager to cash in on booming real-estate and stock markets, are awash in bad debts. While the economy remains in many ways sound — the savings rate is high, unemployment is low, the work ethic is strong — creditworthy businesses cannot borrow, and a recession is imminent. But political leaders, buffeted by contradictory advice and compromised by financial ties to special interests, lack the will to act decisively.

Yes, the description fits Thailand, Indonesia or Malaysia. But the country in question is Japan, the ailing lion among a pack of faltering tiger cubs, and the consequences of Japan's looming financial crisis are far more likely to have an enduring impact on world markets than the travails of smaller Asian economies.

"Comparisons with 1930 are not out of line," said John Makin, a senior fellow at the American Enterprise Institute's Asian Studies Program.

While the world no longer views Japan as unstoppable, its current difficulties have generally been interpreted as no more than a rite of passage on the route to economic maturity.

But the Japanese financial industry is in deep trouble. Banks and insurers took a huge hit when the 1980s bubble in property burst and with the subsequent fall of stocks, which had served as collateral for many loans. Hardly anyone outside the government disputes that most banks, including some of the giants, are insolvent.

Much the same thing happened in Texas after oil prices fell in the early 1980s, and in New England in the late 1980s after real estate soured. In between those times, many savings-and-loan associations went under. But through it all, the American economy hardly faltered.

Why, then, have financial problems choked off growth in Japan for much of the decade? For one thing, the Japanese banks' net liabilities are probably a larger portion of the economy.

Japan, as the ailing lion among a pack of faltering tiger cubs, has a larger international impact.

"This thing has been building for years," said Steven Radelet, an economist at Harvard's Institute for International Development.

The United States is also concerned about the matter. Treasury Secretary Robert Rubin recently sent a letter to the Japanese finance minister asking that Japan's financial system be stabilized as quickly as possible.

The Japanese government has been in deep denial. In America, regulators closed or merged lending institutions fairly quickly once they recognized the magnitude of the problem. And when the deposit insurance system ran out of money, Washington howled and hunted for scapegoats — and then quickly coughed up the cash.

In Japan, by contrast, the government has not been willing to bail out large depositors or lenders.

"It's very difficult to get direct subsidies for anyone but farmers," said Gary Saxonhouse, an economist at the University of Michigan.

But oddly, the government has been forthcoming with the indirect subsidies that have allowed the problem to fester. Regulators require pension funds to hold half of their assets in bank deposits or government bonds, and households have few alternatives to keeping their savings in banks. Mr. Saxonhouse points out that roughly 60 percent of liquid household assets are in banks in Japan, compared with about 25 percent in America.

This permits the banks to pay token interest — and thus to stay open. But every spare yen is stashed in short-term government paper, making it almost impossible for any but blue-chip corporations to borrow. "The banks are zombies," Mr. Makin argues — lenders in name only.

For better or worse, this impasse is likely to be broken next spring with Tokyo's version of the Big Bang — a sweeping deregulation of the financial sector that opens the door to domestic and foreign competition. The interest rate that banks will need to pay to keep deposits is bound to rise sharply, probably forcing the government to acknowledge that the banking sector is flat broke.

Korean Central Bank Workers Strike

Compiled by Our Staff From Dispatches

SEOUL — Employees of the Bank of Korea and two supervisory bodies took to the streets Friday to protest the impending passage of financial reform bills that would cripple the central bank's operations.

Scores of employees of the central bank were detained by police as they tried to storm Parliament in a last-ditch effort to prevent the passage of bills ostensibly aimed at fixing the country's troubled financial system, witnesses said.

They were whisked away in police buses and taken into custody at nearby police stations.

"We are determined to fight to death to destroy the evil bills," a bank official said. He said the bills would take away the bank's independence and result in the Economy and Finance Ministry acquiring more power.

About 2,000 employees of the central bank and the two financial supervisory bodies, one for security houses and one for insurance, later staged a boisterous sit-in at the bank's ground-floor lobby, chanting slogans and waving banners. They threatened to resign en masse if the bills were passed.

The powerful Economy and Finance Ministry has urged Parliament to endorse the long-delayed package to allay rising concerns here and abroad over the country's current financial turmoil.

The ministry said it would announce a separate package of measures to redress South Korea's troubled financial system, especially its ailing investment banks, in the middle of next week. The new package is expected to include the injection of emergency funds into the financial system and the provision of incentives to encourage mergers and acquisitions between money-losing investment banks.

"I suspect that the ministry is exploiting the foreign exchange crunch to shift its responsibility for mismanaging the economy and strengthen its grip on the financial sector," said Lee Phil Sang, a prominent economist at Korea University.

Meanwhile, South Korean officials denied a report that the U.S. deputy Treasury secretary, Larry Summers, and Korean officials planned to meet in Tokyo this weekend to discuss South Korea's financial crisis. A South Korean Finance Ministry spokesman said there was "no plan" for a meeting of this kind. *(AFP, Reuters)*

CURRENCY & INTEREST RATES

Cross Rates

Nov. 14

	$	£	D.M.	F.F.	Lira	D.Fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.9495	3.185	1.1273	0.3346	0.1152*	—	5.446*	1.3909	1.5389*	1.3815	1.336*
Brussels	35.7375	60.73	20.6275	6.1406	2.107*	18.30	—	25.4475	0.2832	25.36	24.43*
Frankfurt	1.7347	2.934	—	0.2984	0.1022*	0.8872	4.8486*	1.2243	1.3447*	1.22	1.1655*
London (a)	1.6951	—	2.9339	9.8255	2,871.39	3.3101	60.5134	2.3774	215.405	2.3926	247.485
Madrid	145.966	247.219	84.349	25.187	8.619*	74.835	4.0895	104.113	115.434*	103.537	—
Milan	1,693.30	2,870.00	978.50	292.71	—	867.40	47.47	1,204.60	13.487	1,203.90	11.61
New York (b)	—	1.6977a	1.7284	5.786	1,694.00	1.9474	35.60	1.4005	125.235	1.4134	145.875
Paris	5.7954	9.8215	3.349	—	0.3422*	2.9713	0.1624	4.1337	4.5602*	4.1168	3.9705*
Tokyo	125.60	213.56	72.80	21.74	0.744	64.59	3.5297	89.72	—	89.30	0.8629
Toronto	1.4133	2.3625	0.8171	0.2443	0.0836*	0.7256	0.3957*	1.0076	1.127*	—	0.969*
Zurich	1.4038	2.3792	0.811	0.2422	0.0829*	0.7196	3.932*	—	1.1068*	0.9944	0.9613*
1 ECU	1.1401	1.8473	1.9747	6.6132	1,932.50	2.2258	40.7284	1.5995	144.284	1.1888	166.589
1 SDR	1.3724	0.8113	2.3887	7.9534	N.Q.	2.6788	49.0245	1.928	172.644	1.9394	200.355

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York and Toronto rates at 4 P.M.

a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9999	Greek drac.	271.71	Mex. peso	8.32	S. Afr. rand	4.8635
Australian $	1.444	Hong Kong $	7.73	N. Zealand $	1.6051	S. Kor. won	986.40
Austrian sch.	12.131	Hung. forint	195.53	Norw. krone	7.068	Swed. krona	7.5285
Brazil real	1.1075	Indian rupee	36.70	Phil. peso	33.60	Taiwan $	31.24
Chinese yuan	8.3105	Indo. rupiah	3415.0	Polish zloty	3.51	Thai baht	38.15
Czech koruna	32.82	Irish £	0.664	Port. escudo	176.34	Turkish lira	186140
Danish krone	6.5846	Israeli shek.	3.5362	Russ. ruble	5900.5	UAE dirham	3.671
Egypt. pound	3.4015	Kuw. dinar	0.3015	Saudi riyal	3.7504	Venez. boliv.	499.90
Fin. markka	5.2037	Malay. ring.	3.3022	Sing. $	1.582		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6917	1.6898	1.6876	Japanese yen	125.86	125.33	124.79
Canadian dollar	1.4063	1.4037	1.4018	Swiss franc	1.4022	1.4017	1.4012
Deutsche mark	1.7260	1.7253	1.7224				

Sources: ING Bank (Amsterdam); Cera Investment Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

Libid-Libor Rates

Nov. 14

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 1/2 - 5 5/8	3 5/8 - 3 3/4	1 3/8 - 1 1/2	7 1/2 - 7 5/8	3 1/8 - 3 1/4	3/8 - 1/2	4 3/8 - 4 1/2
3-month	5 11/16 - 5 13/16	3 11/16 - 3 3/4	1 7/8 - 2	7 1/2 - 7 5/8	3 7/16 - 3 9/16	7/16 - 9/16	4 1/2 - 4 5/8
6-month	5 13/16 - 5 15/16	3 3/4 - 3 7/8	1 7/8 - 2 1/8	7 5/8 - 7 3/4	3 3/4 - 3 13/16	7/16 - 9/16	4 9/16 - 4 11/16
1-year	5 15/16 - 5 31/32	4 1/4 - 4 5/16	2 1/8 - 2 1/4	7 3/4 - 7 13/16	4 - 4 1/8	9/16 - 11/16	4 11/16 - 4 13/16

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/2	8 1/2
Federal funds	5 7/16	5 1/2
90-day CDs dealers	5.77	5.78
180-day CP dealers	5.58	5.58
3-month Treasury bill	5.11	5.13
1-year Treasury bill	5.13	5.14
2-year Treasury bill	5.67	5.67
5-year Treasury note	5.78	5.78
7-year Treasury note	5.81	5.81
10-year Treasury note	5.85	5.85
30-year Treasury bond	6.09	6.09
Merrill Lynch 30-day RA	5.09	5.09
Japan		
Discount rate	0.50	0.50
Call money	0.40	0.33
1-month interbank	0.46	0.46
3-month interbank	0.47	0.47
6-month interbank	0.49	0.49
10-year Govt bond	1.85	1.82
Germany		
Lombard rate	4.50	4.50
Call money	3.45	3.47
1-month interbank	3.57	3.57
3-month interbank	3.80	3.80
6-month interbank	3.90	3.90
10-year Bund	5.58	5.64

Britain		
Bank base rate	7 1/4	7 1/4
Call money	7 1/4	7 1/4
1-month interbank	7 9/16	7 9/16
3-month interbank	7 3/4	7 3/4
6-month interbank	7 3/4	7 3/4
10-year Gilt	6.64	6.78
France		
Intervention rate	3.30	3.30
Call money	3 1/8	3 1/4
1-month interbank	3 7/16	3 5/16
3-month interbank	3 1/2	3 1/2
6-month interbank	3 3/4	3 11/16
10-year OAT	5.60	5.75

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	307.65	301.85	—5.80
London	304.50	301.75	—6.40
New York	309.30	304.30	—4.50

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Dec.)

Source: Reuters.

Top Women Executives: Harvard Gets on Case

By Constance L. Hays
New York Times Service

CAMBRIDGE, Massachusetts — Harvard Business School will produce more case studies that feature women in senior management, tacitly acknowledging that its vaunted case studies do not reflect the reality of the late-1990s workplace.

The change marks the first time that case studies, the backbone of Harvard's program for a master's degree in business administration and of other programs around the world, have undergone a refocusing with regard to women.

The change was prompted and financed by some of America's leading businesswomen, who say their goal is to influence business curriculum at its core, not just at the margins by supplying guest lecturers or visiting professors.

The goal will be to show women in top management jobs, rather than as employees trying to balance work and family obligations, and with management styles not readily identifiable along sexual lines.

There are wider implications as well, as Harvard sells about 6 million copies of its case studies to business schools around the world, said F. Warren McFarlan, a professor of business administration and spokesman for the business school.

"We can leverage it right out across global education," he said.

Myra Hart, an assistant professor of entrepreneurial management who was a founding officer of the Staples office-supply chain, said she did not know how many of the thousands of Harvard case studies now featured women as central management figures.

But of the 29 included in the courses that she teaches, she said, five had women in those critical roles.

The overhaul comes as women's enrollment in MBA programs is flat or declining and is intended to help make the school, where fewer than 30 percent of the students are female, more woman-friendly, as one female executive put it.

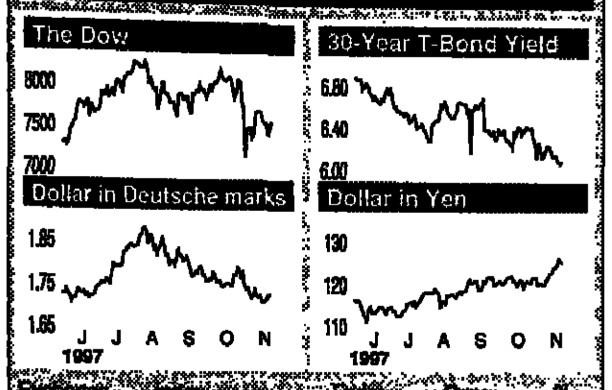
A group of women executives known as the Committee of 200, trying for an active educational role beyond the networking it has fostered for 15 years, has offered to help identify potential cases from its contacts in the business world.

The program is to be known as the Marjorie Alfus/Committee of 200 Fund at Harvard Business School. Its namesake, a former Kmart executive who also ran her own knitwear importing company, came up with the idea and donated the money to set it in motion.

The first of these case studies will be included in courses in the next six months.

"It helps men in the room get used to the notion of seeing women protagonists," Mr. McFarlan said, "and it basically helps change the context in terms of how people think about who leads."

Investor's America



Exchange	Index	Friday @ 4 P.M.	Prev. Close	% Change
NYSE	The Dow	7572.48	7487.76	+1.13
NYSE	S&P 500	928.35	917.05	+1.23
NYSE	S&P 100	888.41	876.47	+1.36
NYSE	Composite	486.06	480.67	+1.12
U.S.	Nasdaq Composite	1583.69	1559.25	+1.57
AMEX	Market Value	672.62	666.87	+0.86
Toronto	TSE Index	6724.80	6680.40	+0.66
São Paulo	Bovespa	8731.79	8072.03	+8.17
Mexico City	Bolsa	4529.35	4408.04	+2.75
Buenos Aires	Merval	606.81	589.72	+2.90
Santiago	IPSA General	4917.76	4915.23	+0.05
Caracas	Capital General	8362.33	8304.18	+0.70

Source: Bloomberg, Reuters — International Herald Tribune

Very briefly:

• **McClatchy Newspapers Inc.** agreed to buy **Cowles Media Co.** for $1.4 billion, including assuming $90 million of debt, creating the eighth-largest U.S. newspaper company, with annual sales of more than $1 billion, the companies said.

• **Del Monte Foods Co.** agreed to buy the Contadina brand of canned tomato products and some related operations from **Nestle SA's** U.S. unit for an undisclosed amount.

• **Berkshire Hathaway Inc.**'s third-quarter net earnings rose 39 percent, to $366.6 million, because of strong earnings at its **Geico Corp.** insurance unit, a dividend payment from **US Airways Group Inc.** and the inclusion of earnings from **FlightSafety International Inc.**

• **Petroleo Brasileiro SA**'s net income in the first nine months of the year rose 128 percent, to 1.11 billion reals ($1.01 billion), mainly from a securities exchange of 1.10 billion reals by its petrochemical and fertilizer units.

• **International Business Machines Corp.** said it planned to lay off several hundred employees at its North America division, the company said.

• **Tele-Communications Inc.**'s third-quarter loss narrowed to $22 million, compared with $138 million in the year-earlier period, amid a wave of cost reductions and renewed focus on its U.S. cable business. *Reuters, Bloomberg*

U.S. Prices Flat as Retail Sales Fall

Bloomberg News

WASHINGTON — U.S. retail sales unexpectedly stumbled for the second consecutive month in October — just ahead of the critical Christmas season — and inflation again remained flat.

Retail sales declined 0.2 percent to a seasonally adjusted $213.69 billion last month after a revised 0.1 percent decline in September, while prices paid to U.S. factories, farmers and other producers rose 0.1 percent in October, less than the 0.5 percent increase in September.

Yen Rises On Fear of Asset Sales

Bloomberg News

NEW YORK — The dollar was little changed against the yen Friday after retreating from a six-month high on speculation that Japan's government would soon unveil an extensive reform package to shore up the country's ailing financial institutions.

Traders sold dollars on concern that the Japanese government might sell large holdings of U.S. bonds to raise funds needed for such a plan. That would be bad for the dollar, as bond-sellers would convert their dollar proceeds into yen.

"Talk that Japan would try to help big banks that have

FOREIGN EXCHANGE

been in trouble set off repatriation jitters," said Keith Woodfin, analyst at Foreign Exchange Analytics. "That led to rumors the Japanese were selling Treasuries." In 4 P.M. trading, the dollar was at 125.335 yen, down from 125.675 yen Thursday, but it rose to 1.7284 Deutsche marks from 1.7258 DM as traders scaled back expectations of a rise in German interest rates.

The Bundesbank's president, Hans Tietmeyer, said on German television that European interest rates would be "oriented to the lowest rates" in preparation for Europe's planned economic and monetary union.

"The suggestion that German rates are not going to go up as much as anticipated is bullish for the dollar," said Bob Lynch, a currency strategist at Paribas Corp. "If the Bundesbank raises rates too much, it risks derailing the recovery trying to take hold in Europe."

In recent weeks, the mark strengthened on expectations that German rates would rise to bring them more in line with rates in other prospective euro members.

Against other currencies, the dollar rose to 5.7860 French francs from 5.7785 francs but fell to 1.4025 Swiss francs from 1.4087 francs. The pound fell to $1.6927 from $1.6980.

Weak Economic Data Help Out Wall Street

Compiled by Our Staff From Dispatches

NEW YORK — U.S. stocks rose along with bonds after a government retail sales report provided new evidence that the economy was not growing enough to drive up interest rates.

The Dow Jones industrial average rose 84.72 points to close at 7,572.48, led by International Business Machines, after erasing a 50-point gain, falling 20 points and then bouncing back.

"The slightly weaker number is what's got the bond market feeling better, and that should help stocks get a lift," said George Jennison, head of Nasdaq trading at Wheat First Butcher Singer, referring to the retail sales data.

The swings in the markets left some investors leery about holding large stock positions over the weekend, especially given the recent volatility in Asian markets and the prospect for a confrontation with Iraq, traders said.

"We have uncertainty not only with reference to the emerging markets, but also with the politics in Iraq," said Don Fredell, senior managing trader at American Express Financial Advisors in Minneapolis. "It is a Friday, right before a weekend. More can go wrong on a weekend than can go wrong overnight."

The Standard & Poor's 500 Index rose 11.69 points to 928.35, and the Nasdaq composite index rose 25.95 points to 1,583.69.

Advancing stocks led declining issues by about 2 to 1 on the New York Stock Exchange.

Eli Lilly rose 3¼ to 66⅞ as investors bought shares before a Food and Drug Administration meeting next week at

U.S. STOCKS

which the company expects approval of a new osteoporosis drug. Pfizer climbed 1⅛ to 70⅛, while Merck rose 1⅛ to 89 3/16.

IBM gained 2 to 101⅛ after analysts said the company was on track to meet fourth-quarter earnings estimates.

General Motors fell 1 1/16 to 61 3/16 amid growing concern that once-fast growing markets such as Brazil and Asia would not provide the boost to profits once expected. GM and Ford both said this week that they would cut production in Brazil in expectation of lower sales.

The reports on retail sales and producer prices sent the yield on the benchmark 30-year Treasury bond down a basis point to 6.09 percent, as the price rose 3/32 to 100 14/32.

The benign news on inflation come a day after stocks turned higher in heavy trading, which market observers took as a sign that the general trend of stock prices is higher. The Dow industrials on Thursday had erased a 51-point loss to rise 86.44 points.

"It's just going to underscore a really bullish sentiment in this market," said Paul Rich, a trader at BT Brokerage in New York.

Other analysts were not so sure. The stock market's inability to rally further from the 7.2 percent slide Oct. 27 indicates that conviction may be lacking among some investors, said George Jennison, head of Nasdaq trading at Wheat First Butcher Singer.

The Dow industrials is still trading far below 7,715.41, the closing price on Oct. 24, the day before stocks took their tumble.

"This market is sick," he said. "I don't feel good about the market as a whole."

Amid tensions over the political situation in Iraq, oil stocks rose along with crude oil futures prices.

Chevron's and British Petroleum's American depositary receipts gained.

Computer-related shares rose after being beaten down in recent days on concern that their Asian sales would suffer.

Tele-Communications rose 15/16 to 24 after the world's largest operator of cable-television systems said its third-quarter loss narrowed amid a wave of cost reductions and renewed focus on its U.S. cable business. Operating cash flow, the primary gauge of profitability for cable companies by securities analysts, rose 21 percent.

Green Tree Financial slumped 7⅜ to 32¾ after the financial-services company revised its fourth-quarter earnings expectations after the market closed Thursday, saying it would incur a pretax charge of $125 million to $50 million to cover higher loan-related costs. *(Bloomberg, AP)*

Westinghouse Agrees to Sell Unit to Siemens

Bloomberg News

PITTSBURGH — Westinghouse Electric Corp. agreed Friday to sell its nonnuclear power unit to Siemens AG for $1.5 billion and posted better-than-expected results in the media business that has become its focus.

The company said it wanted to sell the remaining industrial businesses such as nuclear power services by the middle of next year. It had planned to spin them off but changed its mind because of strong interest from potential buyers.

Westinghouse Chairman Michael Jordan wants to focus on radio broadcasting, the CBS television network and cable channels because of their potential growth. Cash flow at the media businesses rose 19 percent on strong radio advertising sales and a turnaround at the TV stations.

"It was a blow-out quarter," said Niraj Gupta, an analyst at Schroder & Co. in New York. "In terms of the growth story, there really are no holes."

Westinghouse, based in Pittsburgh, plans to change its name to CBS Corp. and move to New York to cement the change.

Founded in 1886 as a maker of locomotive air brakes, Westinghouse began changing into a media company with the $5.4 billion purchase of CBS two years ago. It later bought radio operator Infinity Broadcasting for $4.9 billion and expanded into cable.

The loss from media operations narrowed to $19 million, or 3 cents a share, from $26 million, or 6 cents, a year earlier. Revenue rose 41 percent to $1.28 billion from $910 million.

Cash flow, meanwhile, surged 19 percent to $210 million. Cash flow, or earnings before interest, taxes, depreciation and amortization, is a key measure of a media company's performance.

The improved cash flow follows Jordan's decision to give control of the TV stations to radio chief Mel Karmazin, who cut costs and boosted sales.

Investors Lift Mutual Funds

New York Times Service

NEW YORK — In a demonstration of resilience following October's stock market turmoil, mutual fund investors have funneled new money this month into mutual funds that invest in the largest American stocks, analysts say.

Since Oct. 24, investors have made withdrawals from funds that invest in foreign markets and from some types of small-stock funds. But trackers of cash-flow data say that by the end of October, investors had added to their investments in broad U.S. equity funds, including index funds.

The Investment Company Institute reported that investors added an estimated $21 billion to funds last month, up from $13.5 billion in October 1996. That brings the total this year to $198 billion, exceeding the $192 billion that stock funds received in the first 10 months of 1996.

Gold Plummets Amid Sagging Demand in Asia

Bloomberg News

LONDON — Gold prices slumped to a 12½-year low Friday as concern mounted about central bank sales of the precious metal when Asian demand is sagging.

Central banks have been moving away from seeing gold reserves as a pillar of the world monetary system and have begun treating it like any other commodity.

Confirmation this week from the Bundesbank that it has been lending some of Germany's 3,700 metric tons of gold reserves followed recent announcements by Switzerland that it may sell almost a third of its reserves.

In July, the Reserve Bank of Australia said it had sold more than two-thirds of its gold reserves.

Lending by the Bundesbank and other central banks may be a prelude to further sales, said Urs Frei, a gold trader at Credit Agricole Indosuez in Geneva.

In New York, gold finished down $4.50 at $304.30 an ounce after having fallen as low as $300, its lowest price since March 1985.

In much of Asia, declining currencies have made dollar-priced gold more expensive for customers at a time of year when consumption is traditionally high.

At current prices, gold is becoming increasingly uneconomic to mine. South African gold, among the most expensive in the world to produce, cost an average of $318 an ounce in the second quarter to mine, according to Gold Fields Mineral Services Ltd. Dennis Woolley, a gold-mining analyst at the South African securities house Huysamer Stals Inc., said that if prices were to stay at these levels, half of South Africa's gold producers might fold.

AMEX

Friday's 4 P.M. Close

The 300 most traded stocks of the day, up to the closing on Wall Street.

The Associated Press.

Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	7521.16	7590.16	7467.38	7572.48	+84.72
Trans	3074.53	3118.12	3066.49	3106.69	+38.24
Util	244.87	246.48	243.74	245.60	+1.86
Comp	2449.12	2474.54	2438.79	2468.33	+27.07

Standard & Poors

	High	Low	Previous Close	Today 4 P.M.
Industrials	1073.13	1052.41	1072.17	1087.15
Transp.	667.49	646.07	655.61	660.43
Utilities	208.50	206.86	207.65	208.30
Finance	107.75	105.70	107.37	108.35
SP 500	917.79	900.61	916.66	928.35
SP 100	878.17	860.13	876.60	888.41

NYSE

	High	Low	Last	Chg.
Composite	487.17	480.21	486.06	+5.37
Industrials	611.15	601.75	609.80	+6.99
Transp.	447.86	442.18	446.43	+2.78
Utility	306.29	301.41	305.36	+3.91
Finance	454.91	449.69	453.84	+4.15

Nasdaq

	High	Low	Last	Chg.
Composite	1584.55	1562.75	1583.77	+26.03
Industrials	1256.64	1241.34	1256.64	+19.20
Banks	1896.12	1887.98	1891.35	+1.60
Insurance	1751.89	1734.82	1740.30	-7.08
Finance	2231.87	2219.80	2227.44	+0.97
Transp.	1062.18	1047.83	1059.69	+14.67

AMEX

High	Low	Last	Chg.
672.62	666.38	672.62	+5.76

Dow Jones Bond

	Close	Chg.
20 Bonds	104.44	+0.04
10 Utilities	102.09	+0.09
10 Industrials	106.79	-0.01

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
BritPet s	186882	86⅞	84¾	86¼	+2¼
AmStar s	115918	21¼	19¾	20½	-6¼
Compaq s	91830	64½	62¼	62⅞	-⅛
Telebras	77980	98⅞	89½	97½	+5
GreenTrF	76753	34½	30¼	32¾	-7⅜
IRI Intl n	62237	20⅜	19	19⅞	—
GenElec s	61471	70¼	68¼	69⅞	+1¼
Texinst	54518	98¼	94½	95	-2½
ChaseM	54268	108¾	102½	104½	-3½
IBM s	47581	102⅛	99¾	101⅛	+2
TravPrp	47223	36⅞	35¼	36½	+¾
MicrnT	43591	24¾	22⅞	23	-¼
MagTav n	43433	19½	18 15/16	19⅜	—
WDigitl s	42668	23¾	21½	23½	+2½
WalMart	42385	39½	38¼	39⅜	+1⅛

Nasdaq

	Vol.	High	Low	Last	Chg.
3Com	181374	32¼	30	30⅞	-⅛
ApldMat s	160272	33⅞	31¼	32⅞	+1½
MCI	158493	41 7/16	41⅛	41⅜	+½
VideoLan	152408	[illegible]	[illegible]	[illegible]	—
BiochT	133277	[illegible]	[illegible]	[illegible]	[illegible]
Intel s	127898	79¼	76½	78¾	+1⅝
SunMic s	114788	34¾	32½	34⅛	+2¼
DellCpt s	107582	79½	76¼	79¼	+2¾
WorldCm	97845	29¾	29¼	29⅝	+⅛
Cisco	92713	81¾	78¾	81¼	+1⅞
TeleComA	83226	24⅛	23½	24	+½
ForeSys	61774	18¼	16¾	17¼	+1⅛
McrAtt s	58285	13¾	13 1/16	13⅝	+¼
Qualcom	57638	70¼	66	69⅝	+4¾
KLA Tenc	55895	44½	41½	42	+⅝

AMEX

	Vol.	High	Low	Last	Chg.
SPDR	56871	93¾	91⅞	93	+1⅛
EchoBay	26109	3⅛	2⅞	2⅞	-⅛
RegGold	23453	[illegible]	[illegible]	[illegible]	[illegible]
GST Tele	22106	13½	12¼	13	+½
RoyalO g	21497	1½	1¼	1½	-1/16
ViacB	15841	33½	31½	33½	+1½
VistaG g	14510	[illegible]	[illegible]	[illegible]	[illegible]
TrtoMex	11224	20½	19½	20½	[illegible]
Nabors	10549	41½	39½	41¼	+1⅛
GreyWolf	8645	8¼	8	8	—

Trading Activity

NYSE

	Close	Prev.
Advanced	1933	1446
Declined	979	1518
Unchanged	535	481
Total issues	3447	3445
New Highs	71	52
New Lows	64	79

Nasdaq

	Noon	Prev.
Advanced	1883	1959
Declined	1711	2238
Unchanged	1879	1546
Total issues	5473	5743
New Highs	31	51
New Lows	107	152

AMEX

	Close	Prev.
Advanced	394	232
Declined	275	344
Unchanged	141	151
Total issues	740	727
New Highs	17	6
New Lows	25	15

Market Sales

	Today 4 P.M.	Prev. cons.
NYSE	634.77	767.68
Amex	36.26	44.06
Nasdaq	634.15	772.65

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Pitts & W Va RR	-	.14	12-5	12-29
Willamette Indus n	-	.16	11-24	12-12
STOCK SPLIT				
Baldor Elect 4 for 3 split.				
Horace Mann Educ 2 for 1 split.				
Northeast Bncp 3 for 2 split.				
Organogenesis 5 for 4 split.				
STOCK				
Commnty Fin Hdg	-	5%	12-1	12-15
Pioneer Cos A	-	7%	12-1	12-18
REVERSE STOCK SPLIT				
Noel Group .107246 shares of Carlyle Industries Inc for each share held.				
Saratoga Brands 1 for 3 reverse split.				
INCREASED				
Atmos Energy	Q	.265	11-25	12-10
City Hldg Co	Q	.19	12-1	12-15
Horace Mann Edu	Q	.16	11-28	12-15
Realty Income	M	.16	12-1	12-15
INITIAL				
Baldor Elect n	-	.10	12-29	1-12
Finova Grp n	-	.14	11-28	1-2
Sevenson Environ	-	.035	11-21	12-1
SPECIAL				
Harleysville Natl	-	.03	12-19	12-31
REGULAR				
Adolph Coors	Q	.15	11-30	12-15
Balmco Cp	Q	.05	12-1	1-2
Conn Water Svc	Q	.435	12-1	12-15
EdperBrascan g	Q	.245	2-1	2-28
Greenbriar Cos	Q	.06	11-21	12-16
Harleysville Natl	Q	.23	12-19	12-31
Hilton Hotels	Q	.08	12-5	12-19
Lufkin Indus	Q	.17	12-1	12-10
MDU Resour Gp	Q	.2875	12-11	1-1
Otter Tail	Q	.465	11-14	12-10
Pac AmerIncoShrs	Q	.295	12-11	12-15
PennFed FnclSvcs	Q	.07	11-14	11-28
Pitts W Va RR	Q	.14	12-5	12-29
Power Cp Cda g	Q	.20	12-10	12-31
Scripps EW	Q	.13	11-26	12-10
Suncor Energy g	Q	.17	12-15	12-24
Templeton Glb Gvt	M	.05	11-28	12-12
Trico Bncshrs	Q	.16	12-10	12-31
Virginia Beach Fdl	Q	.05	11-14	11-28
Xtra Corp	Q	.20	11-28	12-15

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semiannually.

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.
a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99.cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Nov. 14, 1997

	High	Low	Latest	Chge	Opint
Grains					
CORN (CBOT) 5,000 bu minimum- cents per bushel					
Dec 97	274½	271¼	272	-1¼	147,027
Mar 98	284½	281	281½	-1½	120,629
May 98	290¼	287	287¾	-1½	32,717
Jul 98	294½	290¼	291¼	-1½	45,052
Sep 98	285	283	283¾	-1¾	4,290
Dec 98	285¼	282¼	283	-1¾	29,510
Jul 99			294¼	-2¼	257
Est. sales 70,000 Thu's sales 61,202					
Thu's open int 380,777, up 94,194					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Dec 97	237.00	230.00	231.50	-3.70	37,088
Jan 98	230.20	224.00	226.20	-2.40	27,275
Mar 98	227.50	221.80	222.50	-3.70	24,720
May 98	224.50	219.50	220.50	-1.30	17,127
Jul 98	225.00	220.00	220.70	-3.80	12,123
Aug 98	223.80	220.00	220.10	-3.90	2,854
Est. sales N.A. Thu's sales 25,949					
Thu's open int 127,337, off 1,500					
SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb					
Dec 97	26.87	26.44	26.57	-0.13	44,701
Jan 98	26.98	26.60	26.76	-0.06	35,560
Mar 98	27.10	26.60	26.82	-0.05	23,142
May 98	27.00	26.55	26.84	-0.08	11,331
Jul 98	26.83	26.55	26.77	unch.	9,984
Aug 98	26.50	26.20	26.40	unch.	1,094
Est. sales 25,000 Thu's sales 30,754					
Thu's open int 127,336, up 4,677					
SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel					
Nov 97	739	725½	727½	-7	5,992
Jan 98	737	722½	724	-8¼	69,874
Mar 98	740	725	726¼	-9½	26,189
May 98	742¼	729	730¼	-8¾	20,147
Jul 98	744	730½	731¼	-9¼	20,390
Est. sales 48,000 Thu's sales 44,941					
Thu's open int 151,198, up 930					
WHEAT (CBOT) 5,000 bu minimum- cents per bushel					
Dec 97	342½	339½	340	-1½	37,848
Mar 98	358½	355	355¼	-1¼	34,950
May 98	367	363	364¼	-1	6,497
Jul 98	372	367¾	369	-1¼	16,717
Est. sales 20,000 Thu's sales 29,399					
Thu's open int 99,675, off 1,381					
Livestock					
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Dec 97	67.25	66.60	67.20	+0.57	32,420
Feb 98	68.95	68.70	68.87	unch.	34,777
Apr 98	72.47	72.10	72.35	+0.10	16,532
Jun 98	70.57	70.27	70.52	+0.17	11,498
Aug 98	70.57	70.30	70.42	+0.17	4,052
Oct 98	72.40	72.10	72.22	+0.22	1,220
Est. sales 12,177 Thu's sales 14,458					
Thu's open int 100,505, up 835					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Nov 97	77.35	76.95	77.12	-0.37	3,188
Jan 98	80.40	79.45	80.20	+0.50	7,618
Mar 98	80.35	79.65	80.20	+0.50	3,036
Apr 98	80.35	79.75	80.27	+0.50	1,039
May 98	80.80	80.30	80.80	+0.57	1,016
Aug 98	82.40	82.00	82.32	+0.22	446
Est. sales 3,068 Thu's sales 2,156					
Thu's open int 16,467, up 448					
HOGS-Lean (CMER) 40,000 lbs.- cents per lb.					
Dec 97	62.85	62.20	62.42	-0.22	16,303
Feb 98	62.85	62.10	62.17	-0.62	13,541
Apr 98	59.40	58.60	58.62	-0.67	5,215
Jun 98	66.15	65.75	65.80	-0.30	3,538
Jul 98	64.90	64.50	64.55	-0.12	1,295
Est. sales 6,958 Thu's sales 9,294					
Thu's open int 40,629, off 144					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
Feb 98	62.10	59.45	59.62	-2.52	6,136
Mar 98	61.10	58.65	58.77	-2.27	1,048
May 98	61.15	59.10	59.55	-1.62	401
Est. sales 2,267 Thu's sales 1,158					
Thu's open int 7,985, off 20					
Food					
COCOA (NCSE) 10 metric tons- $ per ton					
Dec 97	1609	1598	1599	-11	3,113
Mar 98	1647	1625	1633	-19	46,780
May 98	1674	1656	1660	-18	17,292
Jul 98	1695	1675	1682	-18	4,132
Sep 98	1718	1702	1702	-18	5,469
Dec 98	1728	1721	1721	-18	9,087
Est. sales 7,032 Thu's sales 4,873					
Thu's open int 97,178, up 808					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
Dec 97	167.50	161.00	163.40	-1.00	5,877
Mar 98	155.75	149.50	151.45	-0.35	9,982
May 98	150.75	145.00	146.00	-0.25	3,176
Jul 98	145.50	140.00	141.25	-0.75	2,117
Sep 98	140.00	137.00	137.25	-1.00	1,104
Est. sales 11,553 Thu's sales 9,234					
Thu's open int 22,909, off 70					
SUGARWORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Mar 98	12.39	12.32	12.33	-0.01	121,048
May 98	12.31	12.28	12.29	+0.01	31,076
Jul 98	12.06	12.01	12.01	-0.02	23,448
Oct 98	11.90	11.85	11.85	-0.04	22,729
Est. sales 14,207 Thu's sales 12,642					
Thu's open int 205,675, up 1,595					

	High	Low	Latest	Chge	Opint
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Jan 98	82.30	82.00	82.15	-0.60	23,872
Mar 98	86.20	85.00	85.00	-0.30	11,802
May 98	88.80	88.10	88.10	-0.20	3,301
Jul 98	92.00	91.10	91.10	-0.20	1,482
Est. sales N.A. Thu's sales 7,557					
Thu's open int 42,570, up 471					
Metals					
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Nov 97			303.70	-4.50	2
Dec 97	309.60	300.00	304.30	-4.50	101,885
Jan 98			304.80	-4.60	6
Feb 98	310.80	301.30	305.50	-4.60	39,353
Apr 98	309.60	303.50	307.50	-4.60	7,871
Jun 98	311.00	306.00	309.60	-4.70	11,502
Aug 98	312.40	310.50	311.70	-4.80	4,858
Oct 98			313.90	-4.80	1,497
Dec 98	317.00	313.00	316.10	-4.90	11,735
Est. sales N.A. Thu's sales 31,170					
Thu's open int 218,310, off 508					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Nov 97	88.90	88.20	88.90	+0.45	2,072
Dec 97	89.60	88.00	89.00	+0.40	29,162
Jan 98	89.35	88.70	89.35	+0.35	1,661
Feb 98	89.50	88.60	89.30	+0.30	1,433
Mar 98	89.70	88.75	89.45	+0.30	11,644
Apr 98	89.65	89.30	89.60	+0.50	1,326
May 98	90.10	89.00	89.75	+0.25	3,720
Jun 98	89.70	89.50	89.70	+0.25	1,262
Jul 98	89.70	89.50	89.70	+0.25	2,792
Est. sales N.A. Thu's sales 8,251					
Thu's open int 65,771, up 530					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Nov 97	507.20	500.00	507.20	-5.40	3
Dec 97	522.00	499.00	508.00	-5.50	49,793
Jan 98	511.00	510.10	510.10	-5.40	27
Mar 98	526.00	505.00	513.90	-5.40	30,119
May 98	516.00	508.50	516.00	-5.40	3,591
Jul 98	526.00	511.00	518.20	-5.40	3,786
Sep 98			520.40	-5.40	626
Dec 98	527.00	517.00	522.30	-5.40	3,870
Est. sales N.A. Thu's sales 31,530					
Thu's open int 96,767, up 2,109					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Jan 98	385.00	379.50	384.00	-2.70	10,515
Apr 98	382.00	378.00	381.00	-2.70	1,595
Jul 98	382.00	378.00	378.00	-2.70	86
Est. sales N.A. Thu's sales 993					
Thu's open int 12,196, up 227					

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1640.00	1641.00	1616.00	1617.00
Forward	1666.00	1667.00	1643.00	1644.00
Copper Cathodes (High Grade)				
Spot	1936.00	1937.00	1939.00	1940.00
Forward	1958.00	1959.00	1963.00	1963½
Lead				
Spot	571½	572½	572.00	574.00
Forward	586.00	586½	586.00	588.00
Nickel				
Spot	6200.00	6205.00	6130.00	6135.00
Forward	6285.00	6290.00	6215.00	6220.00
Tin				
Spot	5620.00	5630.00	5555.00	5565.00
Forward	5600.00	5605.00	5540.00	5550.00
Zinc (Special High Grade)				
Spot	1155½	1156½	1166½	1167½
Forward	1181.00	1182.00	1191½	1192.00

	High	Low	Close	Chge	Opint
Financial					
US T BILLS (CMER) $1 million- pts of 100 pct.					
Dec 97	94.97	94.94	94.94	-0.01	4,932
Mar 98	95.08	95.05	95.05	unch.	5,262
Jun 98	94.99	94.99	94.99	-0.01	557
Sep 98			94.99	+0.04	23
Est. sales 780 Thu's sales 1,487					
Thu's open int 10,769, up 74					
5 YR TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct					
Dec 97	108-28	108-07	108-10	+ 01	225,142
Est. sales 53,382 Thu's sales 58,236					
Thu's open int 245,420, off 625					
10 YR TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Dec 97	111-31	111-16	111-19	+ 02	370,937
Mar 98	111-21	111-09	111-10	+ 02	39,297
Jun 98	111-13	111-07	111-07	+ 02	109
Est. sales 84,682 Thu's sales 84,168					
Thu's open int 410,344, off 296					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Dec 97	119-02	118-10	118-16	+ 06	592,744
Mar 98	118-24	118-04	118-08	+ 06	125,390
Jun 98	118-13	117-29	117-29	+ 06	13,494
Sep 98			117-19	+ 06	2,007
Est. sales 510,000 Thu's sales 489,948					
Thu's open int 738,675, off 1,019					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Dec 97	118-06	117-06	117-26	+0-27	155,426
Mar 98	118-15	117-28	118-13	+0-27	34,757
Jun 98	N.T.	N.T	118-07	+0-27	0
Est. sales: 68,024. Prev. sales: 121,354					
Prev. open int.: 190,183 up 3,681					

	High	Low	Latest	Chge	Opint
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Dec 97	99.20	98.96	99.20	+ 0.50	100,357
Mar 98	98.64	98.48	98.68	+ 0.50	1,643
Est. sales: 95,208.					
Open int.: 102,002 off 9,794					
GERMAN GOV. BUND (LIFFE) DM250,000 - pts of 100 pct					
Dec 97	102.95	102.60	102.88	+0.38	253,345
Mar 98	102.03	102.00	102.20	+0.38	16,329
Est. sales: 141,389. Prev. sales: 177,521					
Prev. open int.: 269,674 up 292					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Dec 97	112.30	111.75	112.27	+0.64	113,468
Mar 98	112.50	112.13	112.51	+0.63	6,116
Est. sales: 67,006. Prev. sales: 62,021.					
Prev. open int.: 119,784 up 14					
LIBOR 1-MONTH (CMER) $3 million- pts of 100 pct.					
Nov 97	94.32	94.31	94.31	-0.01	26,966
Dec 97	94.08	94.05	94.06	-0.07	18,461
Jan 98	94.29	94.27	94.27	unch.	4,507
Est. sales 9,400 Thu's sales 12,102					
Thu's open int 53,801, off 4,318					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Nov 97	94.14	94.13	94.13	-0.01	22,613
Dec 97	94.16	94.13	94.14	-0.01	520,145
Mar 98	94.19	94.16	94.17	+0.01	442,315
Jun 98	94.16	94.11	94.12	+0.01	338,073
Sep 98	94.10	94.06	94.06	+0.01	264,974
Dec 98	94.01	93.96	93.96	+0.01	218,545
Mar 99	94.01	93.94	93.96	+0.01	161,978
Jun 99	93.96	93.92	93.92	+0.01	136,162
Sep 99	93.92	93.88	93.88	+0.01	110,380
Dec 99	93.86	93.82	93.82	+0.01	87,357
Mar 00	93.87	93.83	93.83	+0.01	69,362
Jun 00	93.85	93.81	93.81	+0.01	58,778
Est. sales 463,690 Thu's sales 559,960					
Thu's open int 2,846,954, off 5,686					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Dec 97	1.6972	1.6878	1.6900	-0.0052	58,259
Mar 98	1.6890	1.6800	1.6828	-0.0054	658
Jun 98			1.6748	-0.0054	74
Est. sales 6,861 Thu's sales 6,309					
Thu's open int 58,991, off 437					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Dec 97	.7115	.7084	.7087	-0.0024	64,624
Mar 98	.7138	.7119	.7119	-0.0024	4,755
Jun 98	.7162	.7145	.7145	-0.0024	815
Est. sales 8,325 Thu's sales 4,326					
Thu's open int 70,717, off 897					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Dec 97	.5814	.5770	.5797	-0.0008	71,458
Mar 98	.5830	.5808	.5826	-0.0008	3,085
Jun 98	.5851	.5835	.5851	-0.0008	2,462
Est. sales 18,453 Thu's sales 19,887					
Thu's open int 77,314, off 1,242					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Dec 97	.8015	.7897	.8001	+0.0036	123,936
Mar 98	.8127	.8018	.8118	+0.0039	2,472
Jun 98			.8232	+0.0040	325
Est. sales 26,601 Thu's sales 23,260					
Thu's open int 136,734, off 2,432					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Dec 97	.7178	.7127	.7153	-0.0008	50,473
Mar 98	.7232	.7200	.7219	-0.0007	2,621
Jun 98			.7284	-0.0006	268
Est. sales 11,474 Thu's sales 12,491					
Thu's open int 53,468, off 752					
MEXICAN PESO (CMER) 500,000 pesos, $ per peso					
Dec 97	.11870	.11790	.11845	+.00426	17,934
Mar 98	.11370	.11300	.11357	+.00475	10,085
Jun 98	.10960	.10920	.10950	+.00496	2,751
Est. sales 4,286 Thu's sales 4,314					
Thu's open int 34,337, off 682					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Dec 97	92.35	92.31	92.34	+0.02	144,371
Mar 98	92.27	92.22	92.25	+0.03	120,085
Jun 98	92.26	92.22	92.24	+0.04	106,303
Sep 98	92.35	92.30	92.34	+0.05	79,935
Dec 98	92.49	92.44	92.47	+0.05	71,345
Mar 99	92.65	92.61	92.64	+0.05	56,766
Jun 99	92.82	92.77	92.80	+0.04	50,403
Est. sales: 59,540. Prev. sales: 109,830					
Prev. open int.: 747,281 up 1,038					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Nov 97	96.26	96.24	96.25	+0.02	4,031
Dec 97	96.20	96.16	96.18	+0.03	305,660
Jan 98	96.18	96.16	96.18	+0.06	6,528
Mar 98	96.04	95.96	96.02	+0.10	304,845
Jun 98	95.83	95.72	95.82	+0.12	274,608
Sep 98	95.65	95.57	95.65	+0.13	209,866
Dec 98	95.47	95.40	95.46	+0.13	189,690
Mar 99	95.31	95.25	95.31	+0.13	190,823
Jun 99	95.16	95.10	95.15	+0.12	98,409
Sep 99	95.02	94.95	95.00	+0.11	80,454
Est. sales: 366,572. Prev. sales: 204,939					
Prev. open int.: 1,824,512 up 13,990					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Dec 97	96.25	96.21	96.23	+ 0.02	55,749
Mar 98	96.01	95.95	96.01	+ 0.10	55,050
Jun 98	95.79	95.74	95.79	+ 0.11	31,574
Sep 98	95.63	95.57	95.62	+ 0.11	19,868
Dec 98	95.46	95.42	95.46	+ 0.10	23,347
Est. sales: 71,479.					
Open int.: 267,369 up 4,020					

	High	Low	Latest	Chge	Opint
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Dec 97	93.82	93.69	93.81	+0.16	108,586
Mar 98	94.59	94.45	94.58	+0.20	111,909
Jun 98	95.07	94.94	95.06	+0.18	115,506
Sep 98	95.18	95.11	95.18	+0.15	68,102
Dec 98	95.17	95.11	95.16	+0.12	58,660
Mar 99	95.09	95.02	95.08	+0.11	31,608
Est. sales: 111,178 Prev. sales: 71,684					
Prev. open int.: 518,166 up 6,093					
Industrials					
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Dec 97	71.25	70.70	70.89	+0.16	32,040
Mar 98	72.40	72.00	72.01	-0.12	24,962
May 98	73.25	73.10	73.10	-0.03	11,032
Jul 98	74.25	73.90	73.93	-0.03	11,940
Oct 98	75.18	75.15	75.18	+0.10	890
Est. sales N.A. Thu's sales 12,060					
Thu's open int 91,017, off 1,665					
HEATING OIL (NMER) 42,000 gal, cents per gal					
Dec 97	60.05	58.40	59.54	+0.92	47,941
Jan 98	60.60	59.15	60.11	+0.85	33,899
Feb 98	60.30	59.35	60.01	+0.75	15,201
Mar 98	59.25	58.55	59.01	+0.60	9,881
Apr 98	57.70	57.00	57.31	+0.55	5,967
May 98	56.40	55.60	55.81	+0.45	4,031
Jun 98	55.60	55.05	55.21	+0.40	3,226
Est. sales N.A. Thu's sales 29,513					
Thu's open int 128,528, up 1,249					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Dec 97	21.15	20.70	21.00	+0.30	57,608
Jan 98	21.30	20.86	21.16	+0.30	89,715
Feb 98	21.23	20.87	21.12	+0.27	40,058
Mar 98	21.11	20.80	21.01	+0.24	22,331
Apr 98	20.93	20.74	20.87	+0.22	17,079
May 98	20.75	20.55	20.73	+0.19	19,700
Est. sales N.A. Thu's sales 100,538					
Thu's open int 407,124 up 2,229					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Dec 97	3.290	2.990	3.030	-0.221	45,940
Jan 98	3.300	3.020	3.050	-0.219	42,245
Feb 98	2.995	2.810	2.820	-0.140	24,860
Mar 98	2.670	2.510	2.520	-0.110	18,234
Apr 98	2.365	2.280	2.290	-0.030	11,848
May 98	2.265	2.190	2.210	-0.020	8,780
Est. sales N.A. Thu's sales 71,746					
Thu's open int 240,623, up 2,651					
UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal					
Dec 97	61.35	59.60	60.99	+1.44	27,106
Jan 98	61.00	59.65	60.66	+1.02	22,909
Feb 98	61.00	59.90	60.74	+0.90	11,663
Mar 98	61.30	60.55	61.07	+0.78	6,499
Apr 98	63.50	62.90	63.43	+0.68	6,468
May 98			63.10	+0.65	5,573
Jun 98	62.70	62.40	62.40	+0.60	4,810
Jul 98			61.40	+0.55	3,428
Est. sales N.A. Thu's sales 28,668					
Thu's open int 92,453, up 2,019					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Dec 97	184.75	182.00	183.75	+ 2.50	32,090
Jan 98	184.25	182.00	183.75	+ 2.50	14,161
Feb 98	183.00	181.00	182.50	+ 2.00	10,668
Mar 98	180.25	179.00	179.25	+ 1.50	6,676
Apr 98	177.25	177.00	176.50	+ 1.50	3,642
May 98	174.50	174.50	174.00	+ 1.50	1,883
Jun 98	174.00	173.00	173.00	+ 1.50	7,594
Est. sales: 14,000 . Prev. sales : 14,489					
Prev. open int.: 86,567 off 9					
BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels					
Jan 98	20.15	19.85	20.02	+ 0.24	73,696
Feb 98	19.97	19.74	19.90	+ 0.10	36,207
Mar 98	19.80	19.56	19.74	+ 0.07	7,266
Apr 98	19.61	19.45	19.58	+ 0.05	5,434
May 98	19.45	19.30	19.43	+ 0.04	5,406
Jun 98	19.32	19.17	19.29	+ 0.04	9,472
Est. sales: 35,100 . Prev. sales : 55,059					
Prev. open int.: 14,988 off 11,096					
Stock Indexes					
SP COMP INDEX (CMER) 250 x index					
Dec 97	935.00	915.10	934.00	+14.80	383,031
Mar 98	944.50	929.50	944.00	+15.10	19,727
Jun 98	952.30	942.50	952.30	+13.80	4,434
Est. sales N.A. Thu's sales 151,705					
Thu's open int 408,478, up 3,928					
FTSE 100 (LIFFE) £25 per index point					
Dec 97	4830.0	4743.0	4763.0	+38.0	64,832
Mar 98	4846.5	4808.0	4806.0	+37.5	7,386
Est. sales: 12,080. Prev. sales: 9,457					
Prev. open int.: 72,218 off 168					
CAC 40 (MATIF) FF200 per index point					
Nov 97	2760.0	2698.0	2700.0	— 7.00	46,604
Dec 97	2767.0	2704.5	2706.5	— 7.00	20,567
Mar 98	2779.5	2765.0	2720.0	— 7.00	10,648
Sep 98	2764.5	2750.5	2717.0	— 7.50	8,739
Est. sales: 73,205.					
Open int.: 94,399 off 336					

Commodity Indexes

	Close	Previous
Moody's	1,524.40	1,519.10
Reuters	1,819.20	1,814.50
D.J. Futures	144.25	144.25
CRB	241.72	243.15

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

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'Wise Men' See Euro on Time

But Panel Criticizes Nations' Steps to Meet Criteria

Reuters

BONN — Germany's Council of Economic Advisers said Friday it had reservations about European nations' readiness to meet the requirements for monetary union, but that the single currency was likely to proceed on schedule anyway.

Nearly all European Union countries will fulfill the monetary criteria of price stability, similar interest rate levels and stable currencies, but several will have difficulty meeting the fiscal targets on debt and deficits, said the panel, also known as the Five Wise Men, in an annual report that was presented to Chancellor Helmut Kohl.

The third phase of monetary union — introduction of the single currency — is likely to start in January 1999, the panel said, mainly because political leaders have not prepared any alternatives. Any delay would be tantamount to failure, resulting in enormous disruptions to financial markets, it said.

Controlled delay, as proposed by some political leaders, would be possible only with such a high degree of economic policy coordination that it would effectively be the same as monetary union, it said.

Of the 15 members of the European Union, Greece will not come close enough to meeting the targets, while Britain, Denmark and Sweden have made it understood that they will not participate in the single currency at the start, it said.

Still, the means that other countries are using to meet or approach the targets have negative implications for the functioning, sustainability and credibility of union, it said.

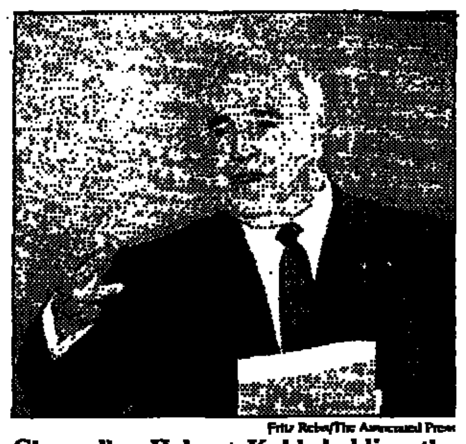
"It is not fitting that individual countries will use bookkeeping measures to meet the reference values, or even one-off measures that relieve burdens in 1997 only to add burdens in the future," the report said.

Belgium's debt remains at the relatively high level of 1992, but has been falling slightly since 1994. Germany's deficit will be about 3.1 percent of gross domestic product, slightly above the 3 percent target, and it will overstep the debt goal slightly in 1997 because of the debts it incurred at unification.

Decisions by Belgium and Germany to postpone certain government payments are sustainable, it said. Spain has brought forward tax payments by state enterprises.

The 37.5 billion francs ($6.49 billion) in revenues taken by the French government for assuming the pension obligations of France Telecom are also suspect. In Italy the debt ratio is moving in the wrong direction, and its euro-tax is another one-time measure that will not contribute to the stability of the euro.

"The credibility of the giant project of a new and stable European currency is thus damaged," it said.



Fritz Reiss/The Associated Press

Chancellor Helmut Kohl, holding the economic advisers' report on Friday.

Volkswagen Enters Race To Buy Rolls

Compiled by Our Staff From Dispatches

FRANKFURT — Volkswagen AG officially joined the hunt Friday for the luxury carmaker Rolls-Royce Motor Cars Ltd., confirming that it was interested in buying one of the great icons of British style.

Rolls-Royce's parent company, Vickers PLC, which has put the carmaker up for sale in an auction process, dismissed a report in the German newspaper Handelsblatt on Friday that said VW had already beaten its Germany rival Bayerische Motoren Werke AG in the race.

The entry of VW into the auction is likely to increase Rolls-Royce's price tag, which analysts had estimated at £300 million to £400 million ($509 million to $679 million).

VW, which also makes SEAT, Skoda and Audi brand cars, wants to upgrade its image by entering the high-end luxury car market. It has already made inroads in the luxury segment: Its Audis compete with lower-end BMW and Mercedes-Benz cars.

BMW, which two years ago reached a deal to supply engines for future Rolls-Royce and Bentley models, had previously been the only carmaker to publicly express interest in buying Rolls-Royce and was said to have been close to locking up the deal.

Industry sources said BMW was likely to counter VW's bid by vowing to cancel the deal to build engines for Rolls-Royce if VW won the auction.

"We stated this week quite clearly that BMW would not deliver engines if another carmaker bought Rolls, and it would not make sense to deliver engines to Volkswagen," said a BMW spokesman, Uwe Mahla.

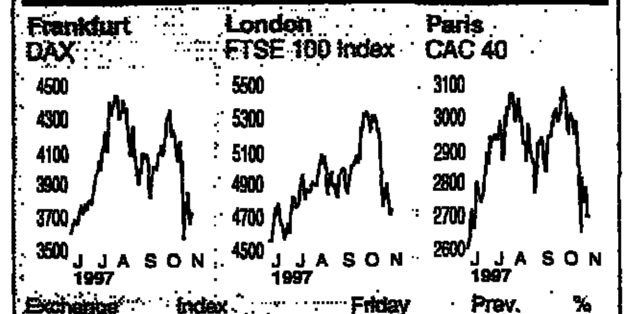
Officials at VW said Volkswagen's new V-12 engine would be viable for the Rolls models.

Analysts said that an auction of Rolls would last about four months and that more suitors could emerge in coming weeks despite a series of denials of interest.

Besides VW, which is estimated to have 16 billion Deutsche marks ($9.29 billion) of cash reserves, potential bidders mentioned include Ford Motor Co. of the United States, Daimler-Benz AG of Germany, Fiat SpA of Italy and Toyota Motor Corp. of Japan.

(Reuters, Bloomberg)

Investor's Europe



Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	AEX	852.05	846.94	+0.60
Brussels	BEL-20	2,316.42	2,304.42	+0.52
Frankfurt	DAX	3,730.94	3,704.29	+0.72
Copenhagen	Stock Market	613.15	610.45	+0.44
Helsinki	HEX General	3,333.08	3,330.80	+0.07
Oslo	OBX	668.35	676.21	-1.16
London	FTSE 100	4,741.80	4,711.00	+0.65
Madrid	Stock Exchange	554.18	548.98	+0.95
Milan	MIBTEL	14852	14785	+0.45
Paris	CAC 40	2,696.04	2,700.66	-0.17
Stockholm	SX 16	3,031.17	3,067.57	-1.19
Vienna	ATX	1,251.43	1,232.22	+1.56
Zurich	SPI	3,439.84	3,431.50	+0.24

Source: Telekurs — International Herald Tribune

Italian Farmers Meet Milk Quotas – Without Cows

Bloomberg News

BRUSSELS — Two and a half thousand Italian farmers claimed to have produced milk last year, even though they had no cows, so that other farmers would not be fined for exceeding production quotas set by the European Union, according to a government committee.

The committee's report, commissioned to investigate the causes of widespread abuse of the milk-quota system, found that between April 1996 and March 1997, 2,518 farmers without cows said they had produced 205,000 tons of milk.

"These false producers with no cows represent 3 percent of the total," said a European Commission paper on the investigation. "This phenomenon is designed to cover up for those farmers who exceed their quotas."

Italy has repeatedly faced fines over the past few years for exceeding its EU milk quota, leading to angry protests from farmers facing steep fines.

Trouble in Rome Under the Golden Arches

Longtime McDonald's Franchisee Accuses the Company of Undercutting His Business

Bloomberg News

MILAN — The man who introduced McDonald's Corp. to Rome is suing the hamburger chain.

Jacques Bahbout, a franchisee for 11 years, contends that McDonald's has inflicted billions of lire in damages on his business by opening restaurants within steps of his own five locations and undercutting his prices.

McDonald's has been the focus of similar suits in the United States, and a franchise in Paris was revoked under different circumstances in 1982, but this appears to be the first case of this kind in Europe.

The company plans to spend $1 billion a year for three years to open 2,000 more restaurants in Europe, 50 percent more than it has now.

"McDonald's feels the need to foster the perception that it is a growth company," said Damon Brundage, an analyst at NatWest Securities Corp. "Clearly this overcrowding has been an issue in the U.S. And though it hasn't yet been much of an issue internationally, I expect that to change."

In a 200-page lawsuit filed in a Rome federal court, Mr. Bahbout said the world's biggest burger chain's actions were part of a deliberate attempt to undercut the value of his Rome restaurants.

"Frankly, it has become much more of an issue than money right now," said Mr. Bahbout, who is president of FoodItalia, the McDonald's franchise. "They've acted with sinister intent to hurt the value of my restaurants so they could buy them from me cheaper."

McDonald's Development Italy Inc., the chain's representative here, responded in a written statement that Mr. Bahbout had not fulfilled his contractual obligation to open five restaurants in five years.

The company did not address Mr. Bahbout's charge that McDonald's had cost him 7 billion lire ($4 million) in lost sales so far in 1997 and that the market value of his businesses had dropped by about 30 billion lire. The suit is scheduled to be heard Dec. 18.

Mr. Bahbout said his troubles began in March 1996, when McDonald's acquired 80 Burghy fast-food outlets from Foodservice System Italia and began to convert them into McDonald's outlets. One new restaurant was 50 meters (55 yards) from a Bahbout-owned eatery. Another is 90 meters away.

Britain Settles Suit Over De Lorean

Bloomberg News

LONDON — The government said Friday it had reached an out-of-court settlement in a 12-year legal battle with the accounting firm Arthur Andersen over the failure of the carmaker De Lorean.

Northern Ireland's economics minister, Adam Ingram, said in a written answer in Parliament that all claims between the company and the government had been settled.

Mr. Ingram said details of the settlement would not be disclosed because of continuing legal action in the United States, action in which the British government is not involved.

Arthur Andersen was the auditor to the De Lorean company in 1977, when the British government backed it to set up a car plant in Belfast. The company collapsed four years later after the government had spent £77 million ($130 million) on the project. In the suit, the government said the auditor should have alerted it earlier to problems at the company.

Very briefly:

- **ASLK-CGER** and **Generale Bank**, both Belgian banks, declined to say they were in negotiations about a merger, but they made clear and public overtures, with Generale's chief executive, Fred Chaffart, speaking of encouraging the Dutch owners of ASLK-CGER to talk to Generale Bank about cooperation.
- **Axel Springer Verlag AG's** management board chairman, Juergen Richter, will resign because of "personal disparagements" against him when his contract runs out at the end of the year.
- **The European Commission,** worried about business relocations within the 15-nation European Union, will announce a full review of special tax regimes next week. The move is a blow for **Ireland,** which applies a reduced 10 percent corporation tax on manufacturing industries, but will also hurt the **Netherlands** and **Belgium,** which have special tax regimes for multinational companies.
- **Luxembourg's** prime minister, Jean-Claude Juncker, said he agreed with **France's** call for concrete action at an EU summit meeting on employment next week but said this would not take the form of EU-wide targets in fighting unemployment.
- **Credit Lyonnais SA's** revised bailout is to be discussed Monday by the French finance minister, Dominique Strauss-Kahn, and the EU competition commissioner, the European Commission said.
- **Usinor SA,** France's largest steelmaker, said third-quarter sales fell 3 percent because of the sale of its 27.5 percent stake in the steel tube maker **Vallourec SA.** Sales fell to 15.5 billion francs ($2.7 billion).
- **France's** employment rose by 0.2 percentage point in the third quarter from the second, but unemployment remained at a near-record average of 12.5 percent for the quarter.

Reuters, Bloomberg

WORLD STOCK MARKETS

Friday, Nov. 14
Prices in local currencies.
Telekurs

Amsterdam — AEX index: 852.05 Previous: 846.94

	High	Low	Close	Prev.
ABN-AMRO	38.20	37.60	38	37.30
Aegon	164	159.20	163.50	159
Ahold	49.50	48.70	48.90	48.70
Akzo Nobel	331.80	329.50	331	328.70
Baan Co.	131.50	128	130.90	128.70
Bols Wess cva	30.50	29.80	30.10	30
CSM cva	86.80	85.70	86.30	86
Dordtsche Pet	101.30	99.10	99.10	99.80
DSM	175.70	174	174.60	175.10
Elsevier	30.90	30.60	30.80	30.60
Fortis Amev	78.40	75.70	78	75.10
Getronics	68.50	68	68	68
G-Broc cva	51	49.90	50	50.20
Hagemeyer	80.40	78.70	79	79.30
Heineken	326.70	319.50	325.80	320
Hoogovens cva	87.80	85	85.70	86.70
Hunt Douglas	80.20	80	80	79.80
ING Group	81.30	80.20	80.70	80
KLM	70.80	68.60	68.60	69.10
KNP BT	45	44.60	44.80	45
KPN	78.80	77	78.20	76.90
Nedlloyd Gp	54.20	51.90	51.90	54.20
Nutricia	56	54	54.60	53.60
Oce Grinten	200.20	193	194	199.80
Philips Elec	135.90	129.20	130.90	135.20
Polygram	107	105.20	105.90	105.70
Randstad Hdg	75	72	73	72.50
Robeco	177.70	174.60	177.70	173.50
Rodamco	57.10	56.60	56.80	56.70
Rolinco	167.10	166.10	167.10	167.10
Rorento	118.50	117.70	117.70	117.80
Royal Dutch	102.30	100.50	100.50	100.90
Unilever cva	110	108.90	109.10	109
Vendex Intl	102	99.50	100.50	99.40
VNU	48	46.50	47.50	46.30
Wolters Kl cva	240	237	237.70	237.90

Bangkok — SET index: 454.87 Previous: 452.81

	High	Low	Close	Prev.
Adv Info Svc	206	187	188	206
Bangkok Bk F	146	134	141	140
Krung Thai Bk	18	17	18	17.25
PTT Explor	380	370	380	370
Siam Cement F	424	384	406	382
Siam Com Bk F	82.50	79	81.50	80
Telecomasia	20	18.75	19.75	19.50
Thai Airways	49	47	48.25	47
Thai Farm Bk F	108	102	105	109
Utd Comm	59	55	58.50	61

Bombay — Sensex 30 index: 3549.77 Previous: 3554.10

	High	Low	Close	Prev.
Bajaj Auto	570	543	568	549.25
Hindust Lever	1308	1280	1292.25	1289.25
Hindust Petm	457	442	444.75	446
Ind Dev Bk	86.50	83	84.25	85.75
ITC	548	522.25	537.75	539.25
Mahanagar Tel	231.75	224.50	228.25	227.50
Reliance Ind	166.50	158.75	165.75	163.50
State Bk India	246.75	238.75	244.25	243
Steel Authority	14	13.75	14	13.75
Tata Eng Loco	335	323.50	327	330.50

Brussels — BEL-20 index: 2316.42 Previous: 2304.42

	High	Low	Close	Prev.
Almanij	1510	1490	1500	1500
Barco Ind	6770	6700	6760	6700
BBL	9350	9150	9240	9240
CBR	3150	3030	3100	3085
Colruyt	18500	18000	18000	18325
Delhaize Lion	1780	1740	1755	1740
Electrabel	8230	8180	8190	8130
Electrafina	3298	3220	3255	3230
Fortis AG	6900	6730	6850	6630
Gevaert	1410	1360	1360	1400
GBL	5340	5050	5090	5280
Gen Banque	14850	14550	14675	14275
Kredietbank	14225	14125	14150	14000
Petrofina	13700	13575	13575	13450
Powerfin	5060	5060	5060	5050
Royale Belge	9600	9410	9460	9610
Soc Gen Belg	3210	3100	3200	3100
Solvay	2110	2055	2060	2080
Tractebel	3085	3040	3050	3050
UCB	119600	114000	117650	119200

Copenhagen — Stock index: 612.15 Previous: 610.45

	High	Low	Close	Prev.
BG Bank	415	410	414	410
Carlsberg B	345	337.66	345	337.66
Codan Fors	900	900	900	907
Danisco	354.18	341	346	343
Den Danske Bk	747	739	740	743
D/S Svendborg B	409563	399600	405000	390000
D/S 1912 B	287060	283716	286000	286286
FLS Ind B	171.50	160	162.84	161
Kob Lufthavne	796	789	788	784
Novo Nordisk B	746	737	741	735
Sophus Ber B	994	979	985	985.99
Tele Danmark B	397	389	394.11	391
Tryg Baltica	[illegible]	395	395	396.75
Unidanmark A	474	468	470.53	468

Frankfurt — DAX: 3730.94 Previous: 3704.29

	High	Low	Close	Prev.
AMB B	147.70	146	146	144
Adidas	239.50	235.60	235.90	238.30
Allianz Hdg	398.50	393	394	392
Altana	127.50	[illegible]	123.70	125.70
Bk Berlin	[illegible]	37.40	37.60	38.90
BASF	[illegible]	[illegible]	57.67	57.95
Bayer Hypo Bk	74	73.70	73.70	72.45
Bay Vereinsbank	101	99.80	100.40	99.70
Bayer	61.70	60.65	61.35	59.85
Beiersdorf	74	73.30	73.30	75
Bilfinger Berg	[illegible]	76	77.40	79.60
BMW	1215	1180	1192	1145
CKAG Colonia	149	[illegible]	147.50	146
Commerzbank	59.70	58.60	58.60	58.75
Daimler Benz	115.40	114.70	114.70	112.45
Degussa	80.50	77.70	79.50	76.50
Deutsche Bank	108.40	106.05	106.15	108.05
Deut Telekom	34.35	34	34.20	33.55
Dresdner Bank	67.60	65.10	65.10	67
Fresenius	272	267	267	265
Fresenius Med	115.80	110.50	110.50	116.20
Fried. Krupp	371	366	366	374.80
Gehe	92	90.80	91	93
Heidelbg Zmt	136	134.50	135	136
Henkel pfd	101	99	100.30	98.50
HEW	460	460	460	460
Hochtief	70	68.50	68.70	68.80
Hoechst	68.80	68.20	68.30	67
Karstadt	574	568	572	555
Lahmeyer	75.05	74.20	74.50	76
Linde	1045	1020	1025	1035
Lufthansa R	30.90	30.50	30.90	30.60
MAN	515	513	515	514
Mannesmann	766	755	755	746
Metallgesellschaft	34.10	33.50	33.50	33.60
Metro	79.30	78.30	78.40	76.30
Munch Rueck R	537.50	533.70	534.80	520.50
Preussag	458.50	451	451	458.50
RWE	79.35	78.80	79	76.50
SAP pfd	486	481	483.50	483
Schering	161.30	156.20	157	159.90
SGL Carbon	227	224	226	223.80
Siemens	102.45	100.90	100.90	100.40
Springer (Axel)	1325	1325	1325	1329
Suedzucker	883	883	883	882
Thyssen	419.50	412.20	413	422
Veba	96.40	95.45	95.45	96.60
VEW	582.75	554	582.75	555
Viag	870	840	842.50	850
Volkswagen	944.50	903	906	913

Helsinki — HEX General index: 3333.08 Previous: 3330.80

	High	Low	Close	Prev.
Enso A	47	45.50	45.50	45.50
Huhtamaki I	223	218	223	214.80
Kemira	52.70	51.50	51.50	51.50
Kesko	74.50	73	73	73
Merita A	25.40	25.20	25.20	25.40
Metra B	135	133	133	133.50
Metso-Serla B	45.90	44.80	44.80	45.50
Neste	120	110	117	120
Nokia A	428	413	418	419
Orion-Yhtymae	203	202	202.10	200
Outokumpu A	74	71.60	72	72.50
UPM-Kymmene	124	120	122	119.50
Valmet	78	75.50	75.50	75.50

Hong Kong — Hang Seng: 9957.33 Previous: 9720.78

	High	Low	Close	Prev.
Amoy Props	6.85	6.50	6.80	6.45
Bk East Asia	16.20	15.50	16	15.20
Cathay Pacific	7.50	7.05	7.30	7.10
Cheung Kong	49.70	47.60	49.40	47.20
CK Infrastruct	18.15	17.20	17.90	16.90
China Light	36.90	35.50	36	35.50
Citic Pacific	32	30.20	31.20	30.70
Dao Heng Bk	17.50	17	17.20	17.15
First Pacific	5.45	4.98	5.25	4.95
Hang Lung Dev	10.80	10.40	10.70	10.40
Hang Seng Bk	62	59.25	60.75	58.75
Henderson Inv	6.60	6.10	6.60	5.95
Henderson Ld	38.80	37.40	37.80	37.90
HK China Gas	13.90	13.40	13.80	13.35
HK Electric	26.60	25.75	26.30	26
HK Telecomm	14.90	14.45	14.65	14.40
Hopewell Hdgs	2.23	2.03	2.15	2.03
HSBC Hdgs	176	168	171.50	170
Hutchison Wh	50.50	48.40	49	47.90
Hysan Dev	15.45	15	15.45	14.90
Johnson El Hdg	22	20.10	21.80	19.85
Kerry Props	14.10	12.60	13.50	12.55
New World Dev	23.95	22.10	23.30	22
Oriental Press	1.93	1.87	1.93	1.85
Pearl Oriental	0.50	0.47	0.49	0.47
SHK Props	52.25	49.80	52	49.40
Shun Tak Hdgs	2.58	2.50	2.58	2.53
Sino Land Co.	4.43	4.13	4.43	4.18
Sth China Post	5.75	5.35	5.60	5.30
Swire Pac A	39	37.50	38.80	37.40
Wharf Hdgs	15.40	14.70	14.95	14.60
Wheelock	8.25	7.90	8.15	7.85

Jakarta — Composite index: 436.84 Previous: 437.95

	High	Low	Close	Prev.
Astra Intl	2075	1975	1975	2000
Bk Intl Indon	700	650	675	700
Bk Negara	725	700	700	700
Gudang Garm	8500	8175	8475	8150
Indocement	1725	1675	1700	1700
Indofood	2700	2675	2700	2700
Indosat	8300	8200	8300	8150
Sampoerna HM	5650	5300	5350	5650
Semen Gresik	3600	3550	3600	3575
Telekomunikasi	2850	2775	2800	2825

Johannesburg — All Market: 6373.72 Previous: 6512.62

	High	Low	Close	Prev.
ABSA Group	30.25	29.50	30	30.05
AngloAm Coal	267	265	265	267
AngloAm Corp	196	180	184	195.80
AngloAm Gold	206	192	192	205.40
AngloAm Ind	144	138	138	143
AngloAM Plat	75.20	71	72	75.50
AVMIN	8.10	7.70	7.60	8.10
Barlow	46	43.10	44.90	46
C.G Smith	21.05	19.75	20.70	20.70
De Beers	107.80	103.60	107	107.40
Driefontein	28.75	28	28.50	28.75
Fst Natl Bk	40.40	39.25	39.25	40.15
Gencor	8.75	7.65	7.65	8.75
GFSA	70	60.20	61.50	70.10
Imperial Hdgs	61.40	59.20	59.20	60.10
Ingwe Coal	20	19	19	20
Iscor	2.46	2.32	2.37	2.45
Johnnies Indl	56	52	54.10	55
Liberty Hdgs	323	308	310	324
Liberty Life	120.80	113	113.60	120.80
LibLife Strat	16.45	15	15.75	15.80
Minorco	91	88	90	90.50
Nampak	15.70	14.80	15.30	15.60
Nedcor	105	96	100	105.20
Rembrandt Gp	40.70	39.50	39.75	40.70
Richemont	53.50	50	51.90	53.10
SA Breweries	122.20	118	120	122.20
Samancor	32.50	31.50	31.50	32.50
Sasol	55.80	54	55	55.80
SBIC	215	206	207.20	214
Tiger Oats	67.40	66	66.50	66.60

Kuala Lumpur — Composite: 677.47 Previous: 677.58

	High	Low	Close	Prev.
AMMB Hdgs	5.60	5.15	5.15	5.35
Genting	9.40	9.30	9.40	9.25
Mal Banking	13.30	12.90	12.90	12.80
Mal Intl Ship F	6.30	6.20	6.20	6.35
Petronas Gas	9.70	9.30	9.40	9.65
Proton	7.95	7.50	7.95	7.65
Public Bk	2.16	2.07	2.10	2.07
Renong	3	2.93	3	3
Resorts World	5.80	5.60	5.60	5.80
Rothmans PM	28.75	28.25	28.50	28.25
Sime Darby	4.64	4.34	4.36	4.50
Telekom Mal	9.95	9.80	9.90	9.80
Tenaga	8.05	7.80	7.90	7.80
Utd Engineers	6.45	6.20	6.30	6.10
YTL	4.12	4	4.12	3.94

London — FT-SE 100: 4741.80 Previous: 4711.00

	High	Low	Close	Prev.
Abbey Natl	9.40	8.30	9.29	9.21
Allied Domecq	5.54	4.84	5.22	5.01
Anglian Water	8	7.80	7.95	7.75
Argos	6.62	6.58	6.60	6.60
Asda Group	1.65	1.54	1.63	1.59
Assoc Br Foods	5.40	5.19	5.40	5.18
BAA	5.50	4.90	4.94	5
Barclays	14.85	14.60	14.60	14.75
Bass	8.70	8.09	8.42	8.41
BAT Ind	5.40	5.15	5.31	5.38
Bank Scotland	4.87	4.65	4.83	4.64
Blue Circle	3.48	3.30	3.43	3.29
BOC Group	9.82	9.25	9.42	9.50
Boots	8.85	8.47	8.79	8.73
BPB Ind	3.27	3.22	3.25	3.24
Brit Aerosp	15.78	15.45	15.48	16.25
Brit Airways	5.90	5.50	5.50	5.75
BG	2.68	2.63	2.65	2.64
Brit Land	6.73	6.55	6.56	6.50
Brit Petm	8.61	8.25	8.37	8.31
BSkyB	4.19	4.00	4.03	4.17
Brit Steel	1.58	1.39	1.45	1.43
Brit Telecom	4.62	4.48	4.59	4.60
BTR	2.02	1.97	1.96	1.97
Burmah Castrol	10.54	10	10	10
Burton Gp	1.43	1.40	1.41	1.40
Cable Wireless	5.75	4.73	5.13	4.79
Cadbury Schw	6.04	5.48	5.88	5.93
Carlton Comm	4.92	4.46	4.51	4.58
Coml Union	8.29	7.10	7.40	7.31
Compass Gp	6.57	6.53	6.54	6.55
Courtaulds	2.87	2.80	2.85	2.82
Dixons	6.84	6.52	6.60	6.67
Electrocomponents	4.29	4.20	4.26	4.28
EMI Group	5.18	4.71	5.09	5.06
Energy Group	6.28	6	6.22	6.20
Enterprise Oil	6.80	6.35	6.43	6.36
Fam Colonial	1.61	1.58	1.59	1.59
Genl Accident	9.98	9.32	9.44	9.44
GEC	3.95	3.78	3.92	3.92
GKN	13.22	12.27	12.30	12.24
Glaxo Wellcome	12.50	12.07	12.10	12.11
Granada Gp	8.20	7.87	7.90	8.06
Grand Met	5.69	5.32	5.60	5.54
GRE	2.98	2.82	2.82	2.84
Greenalls Gp	3.68	3.61	3.67	3.66
Guinness	5.69	5.28	5.56	5.48
GUS	7.02	6.70	6.76	6.74
Hays	7.32	6.88	7.23	7.25
HSBC Hdgs	14.18	13.12	13.46	13.71
ICI	8.82	8.21	8.27	8.29
Impl Tobacco	3.91	3.78	3.88	3.82
Kingfisher	8.64	8.07	8.24	8.27
Ladbroke	2.69	2.64	2.67	2.67
Land Sec	9.82	9.51	9.56	9.68
Lasmo	2.85	2.73	2.78	2.70
Legal Genl Grp	4.95	4.84	4.90	4.84
Lloyds TSB Gp	7.20	6.99	6.99	7.18
LucasVarity	2.04	1.96	1.98	1.97
Marks Spencer	6.18	5.71	5.82	5.89
MEPC	5.18	5.13	5.17	5.17
Mercury Asset	12.70	12.10	12.36	12.85
National Grid	2.93	2.73	2.91	2.93
Natl Power	5.38	4.87	5.33	5.22
NatWest	8.70	8.50	8.55	8.49
Next	7.41	6.78	7.35	7.19
Norwich Union	3.83	3.34	3.61	3.61
Orange	2.50	2.43	2.48	2.49
P&O	6.90	6.45	6.81	6.79
Pearson	7.80	7.54	7.64	7.63
Pilkington	1.36	1.34	1.35	1.34
PowerGen	7.33	6.58	7.28	6.85
Premier Farnell	4.22	4.10	4.13	4.14
Prudential	6.38	6.20	6.31	6.23
Railtrack Gp	10.25	9.90	9.98	10.72
Rank Group	3.50	3.29	3.48	3.46
Reckitt Colm	8.73	8.11	8.31	8.17
Redland	3.38	3.22	3.33	3.33
Reed Intl	5.83	5.65	5.79	5.79
Rentokil Initial	2.33	2.25	2.28	2.28
Reuters Hdgs	6.60	6.27	6.32	6.35
Rexam	2.98	2.90	2.94	2.93
RTZ reg	7.70	7.36	7.55	7.47
RMC Group	9.20	8.91	9.02	8.97
Rolls Royce	2.40	2.06	2.37	2.18
Royal Bk Scot	6.75	6.23	6.36	6.48
Royal & Sun All	5.65	5.09	5.09	5.17
Safeway	4.04	3.87	4	3.95
Sainsbury	5	4.84	4.95	4.85
Schroders	16.89	16	16.15	16.10
Scot Newcastle	6.83	6.48	6.48	6.55
Scot Power	4.63	4.35	4.53	4.42
Securicor	2.83	2.78	2.79	2.80
Severn Trent	8.98	8.56	8.95	8.82
Shell Transp R	4.18	4	4.01	4.08
Siebe	11.35	10.31	10.75	10.49
Smith Nephew	1.72	1.71	1.71	1.72
SmithKline	5.56	5.17	5.32	5.21
Smiths Ind	8.49	7.80	7.82	8
Sthern Elec	4.65	4.27	4.40	4.47
Stagecoach	8.14	7.78	8.13	7.78
Stand Charter	6.45	5.90	6.22	6.13
Tate & Lyle	4.67	4.60	4.61	4.61
Tesco	4.98	4.68	4.88	4.79
Thames Water	8.86	8.70	8.77	8.68
3i Group	4.82	4.60	4.75	4.61
TI Group	5.32	4.80	4.90	4.97
Tomkins	2.99	2.84	2.86	2.93
Unilever	4.53	4.44	4.46	4.48
Utd Assurance	5.07	4.95	4.99	4.98
Utd News	7.49	7	7.21	7.13
Utd Utilities	7.45	7.18	7.29	7.16
Vendome Lx uts	3.40	3.33	3.37	3.43
Vodafone	3.48	3.28	3.47	3.38
Whitbread	8.20	7.95	8.20	8.06
Williams Hdgs	3.48	3.41	3.43	3.45
Wolseley	5.45	4.95	4.95	4.95
WPP Group	2.79	2.76	2.77	2.78
Zeneca	17.45	17.20	17.28	17.29

Madrid — Bolsa index: 554.18 Previous: 548.98

	High	Low	Close	Prev.
Acerinox	21680	20770	20900	20780
ACESA	1940	1900	1910	1915
Aguas Barcelon	5820	5750	5790	5750
Argentaria	8610	8250	8450	8500
BBV	3875	3815	3850	3785
Banesto	1325	1290	1290	1280
Bankinter	7510	7150	7280	7150
Bco Centro Hisp	2715	2620	2690	2610
Bco Popular	8380	8120	8130	8140
Bco Santander	3920	3825	3915	3805
CEPSA	4390	4260	4370	4300
Continente	2860	2748	2750	2800
Corp Mapfre	6320	6150	6200	6200
Endesa	2700	2675	2685	2685
FECSA	1200	1170	1195	1170
Gas Natural	6430	6160	6170	6050
Iberdrola	1805	1775	1780	1780
Pryca	2125	2075	2090	2045
Repsol	6350	6260	6330	6250
Sevillana Elec	1340	1320	1330	1320
Tabacalera	11570	11180	11100	11160
Telefonica	3900	3855	3865	3820
Union Fenosa	1440	1410	1420	1425
Valenc Cement	2895	2810	2850	2820

Manila — PSE index: 1844.95 Previous: 1803.55

	High	Low	Close	Prev.
Ayala	13	12.50	13	12
Ayala Land	13.25	13	13.25	12.75
Bk Philip Isl	92.50	92	92	91
C&P Homes	2.75	2.65	2.75	2.65
Manila Elec A	67.50	66.50	67.50	67
Metro Bank	280	267.50	280	270
Petron	3.50	3.40	3.45	3.45
PCIBank	140	136	137	140
Phil Long Dist	840	800	840	805
San Miguel B	46.50	45	45	46.50
SM Prime Hdg	6.10	6	6	6

Mexico — Bolsa index: 4488.86 Previous: 4442.78

	High	Low	Close	Prev.
Alfa A	59.80	58.80	58.80	59.00
Banacci B	16.56	16.16	16.48	16.40
Cemex CPO	30.00	29.00	29.50	29.50
Cifra C	14.20	13.88	13.90	13.82
Emp Modema	39.50	39.25	39.50	39.25
Gpo Carso A1	50.80	49.20	50.30	49.50
Gpo F Bcomer	2.89	2.75	2.80	2.75
Gpo Fin Inbursa	30.09	30.00	30.00	30.00
Kimb Clark Mex	35.00	33.30	34.15	33.20
Televisa CPO	140.50	138.30	140.50	142.00
TelMex L	18.40	17.96	18.18	18.10

Milan — MIB Telematico: 14852.00 Previous: 14785.00

	High	Low	Close	Prev.
Alleanza Assic	15020	14550	14940	14455
Bca Comm Ital	4735	4650	4680	4650
Bca Fideuram	6900	6500	6540	6770
Bca di Roma	1580	1535	1540	1559
Benetton	25500	24800	25050	24600
Credito Italiano	4250	4230	4270	4220
Edison	9270	9190	9240	9190
ENI	10045	9890	9950	9800
Fiat	5025	4790	4830	4925
Generali Assic	39950	39200	39250	39450
IMI	16850	16400	16600	16560
INA	3030	2965	2965	3005
Italgas	6550	6440	6440	6500
Mediaset	8350	8180	8265	8150
Mediobanca	11840	11665	11695	11550
Montedison	1360	1313	1318	1335
Olivetti	999	979	984	964
Parmalat	2300	2220	2265	2230
Pirelli	4335	4040	4125	4230
RAS	15900	15540	15615	15495
Rolo Banca	22900	22400	22550	22500
S Paolo Torino	13250	12605	13090	12765
Telecom Italia	10570	10370	10375	10360
TIM	6550	6425	6495	6380

Montreal — Industrials index: 3234.40 Previous: 3220.04

	High	Low	Close	Prev.
Bce Mob Com	43	42.80	43	42.95
Cdn Tire A	28½	28¼	28½	28.15
Cdn Util A	39.95	39.70	39.70	39.85
CT Finl Svc	46.70	46.70	46.70	46.60
Gaz Metro	19.10	18.85	18.90	18.95
Gt-West Lifeco	33¼	33¼	33¼	33½
Imasco	46.45	46.30	46.40	46.10
Investors Grp	44.60	44	44	44.70
Loblaw Cos	22.15	22	22.15	22
Natl Bk Canada	21.35	20.80	21.20	20.90
Power Corp	44.30	44	44.15	44¼
Power Finl	44¼	44	44	44
Quebecor B	29½	28½	28½	28¾
Rogers Comm B	8.20	8.10	8.10	8.10
Royal Bk Cda	74.45	73.10	74.45	73.20

Oslo — OBX index: 668.35 Previous: 676.21

	High	Low	Close	Prev.
Aker A	121	119	119	121
Bergesen Dy A	212.50	210	210.50	211
Christiania Bk	26.30	26	26	26.10
Den norske Bk	30.30	30.10	30.10	30.10
Elkem	106	102	103	103
Hafslund A	41.50	41	41.30	41.50
Kvaerner Asa	348	341	341	347
Norsk Hydro	377	367	367.50	377
Norske Skog A	229	223	226.50	223
Nycomed A	187	186	186	186
Orkla Asa A	625	606	606	625
Petm GeoSvc	514	500	501	518.50
Saga Petm A	135	133.50	134	133.50
Schibsted	126	124	125	125
Transocean Off	385	375	385	415
Storebrand Asa	50.50	50	50	50

Paris — CAC-40: 2696.04 Previous: 2700.66

	High	Low	Close	Prev.
Accor	1065	1025	1025	1024
AGF	298.50	295.10	295.50	297
Air Liquide	907	892	898	893
Alcatel Alsth	698	674	674	680
Axa-UAP	405.50	400	400	401.10
Bancaire	749	737	745	738
BIC	399	382	382	386.70
BNP	254.80	248.50	248.50	249
Canal Plus	1024	991	1001	1002
Carrefour	3008	2951	2951	2960
Casino	329	315	327	314
CCF	334.90	323.50	327.30	327.50
Cetelem	620	604	615	601
Christian Dior	594	578	585	586
CLF-Dexia Fran	608	592	592	598
Credit Agricole	1250	1250	1250	1250
Danone	933	897	904	919
Elf-Aquitaine	716	690	693	698
Eridania BS	874	850	855	856
Eurodisney	7.80	7.50	7.80	7.50
Eurotunnel	5.80	5.65	5.70	5.70
France Telecom	217	212.50	214.70	210.50
Gen. Eaux	747	729	739	725
Havas	378	366.50	371.90	372
Imetal	668	622	664	635
Lafarge	347.70	338	339.70	339.90
Legrand	1060	1041	1045	1045
L'Oreal	2145	2096	2100	2092
LVMH	953	928	929	922
Michelin B	312	303	302	298.50
Paribas A	412	403.20	403.40	406
Pernod Ricard	302	294	297.10	292.70
Peugeot Cit	654	628	629	641
Pinault-Print	2810	2770	2772	2746
Promodes	1898	1852	1860	1841
Renault	158	145	146.80	147
Rexel	1590	1555	1578	1588
Rh-Poulenc A	248.90	241	247	246
Sanofi	539	527	530	530
Schneider	315	301.50	301.50	311
SEB	694	675	675	684
SGS Thomson	406.70	390	390	399.50
Ste Generale	745	735	736	733
Sodexho	2885	2810	2860	2799
St Gobain	810	783	783	793
Suez (Cie)	14.20	14.20	14.20	14
Suez Lyon Eaux	612	591	591	605
Synthelabo	684	672	679	671
Thomson CSF	155	143.90	145.90	153.10
Total B	641	611	617	623
Usinor	92.60	87.10	88.70	90
Valeo	375	354.10	359.50	366.70

São Paulo — Bovespa index: 8581.72 Previous: 8872.03

	High	Low	Close	Prev.
Bradesco Pfd	7.10	6.450	7.00	6.20
Brahma Pfd	595.00	559.99	595.00	560.00
Cemig Pfd	39.99	36.99	38.980	37.00
CESP Pfd	65.50	60.00	65.00	62.99
Copel	10.00	9.30	9.55	9.00
Eletrobras	508.00	465.00	507.00	465.00
Itaubanco Pfd	490.00	440.00	490.00	430.00
Light Servicos	340.00	307.00	340.00	301.00
Lightpar	257.00	240.00	250.00	245.00
Petrobras Pfd	208.00	193.00	206.00	203.00
Paulista Luz	113.00	102.00	112.00	99.50
Sid Nacional	35.00	34.00	35.00	36.50
Souza Cruz	7.40	7.20	7.40	7.15
Telebras Pfd	107.00	100.00	106.30	100.00
Telemig	109.00	103.94	107.00	104.00
Telerj	92.00	88.00	92.00	86.00
Telesp Pfd	254.00	232.00	248.00	230.00
Unibanco	31.00	30.08	30.00	29.98
Usiminas Pfd	6.71	6.40	6.70	6.35
CVRD Pfd	20.60	19.70	20.50	20.00

Seoul — Composite index: 528.81 Previous: 519.47

	High	Low	Close	Prev.
Dacom	57000	54000	56000	56300
Daewoo Heavy	5700	5500	5500	5640
Hyundai Eng.	14500	14000	14300	14500
Kia Motors	7350	7340	7340	7350
Korea El Pwr	14200	13900	13900	14200
Korea Exch Bk	4500	4300	4450	4420
LG Semicon	21600	20500	21000	20800
Pohang Iron St	44900	43100	44800	44800
Samsung Display	35200	34100	35100	35700
Samsung Elec	44700	42500	43400	44700
Shinhan Bank	7200	7010	7150	7100
SK Telecom	338000	327000	335000	336000

Singapore — Straits Times: 1700.26 Previous: 1698.49

	High	Low	Close	Prev.
Asia Pac Brew	4.74	4.70	4.70	4.72
Cerebos Pac	4.66	4.60	4.64	4.66
City Devts	7.40	7.05	7.25	7.05
Cycle Carriage	7.30	6.85	6.95	7
Dairy Farm Intl *	0.89	0.85	0.88	0.85
DBS foreign	14.80	14.40	14.60	14.50
DBS Land	2.84	2.74	2.75	2.81
Fraser & Neave	8.20	8	8.05	8.05
HK Land *	2.19	2.12	2.17	2.08
Jard Matheson *	5.85	5.60	5.65	5.65
Jard Strategic *	2.90	2.82	2.84	2.85
Keppel A	5.50	5.25	5.25	5.35
Keppel Bank	2.85	2.77	2.77	2.77
Keppel Fels	4.74	4.64	4.74	4.62
Keppel Land	2.38	2.30	2.33	2.33
OCBC foreign	9.25	9	9.25	9.05
OS Union Bk F	5.90	5.65	5.90	5.65
Parkway Hdgs	4.14	4.08	4.14	4.10
Sembawang	5.15	5	5	5.10
Sing Air foreign	11.50	11.20	11.40	11.30
Sing Land	4.60	4.50	4.50	4.50
Sing Press F	20.50	19.60	20.50	19.60
Sing Tech Ind	2.01	1.96	1.96	1.97
Sing Telecomm	2.77	2.57	2.58	2.70
Tat Lee Bank	2.61	2.57	2.58	2.61
Utd Industrial	0.75	0.73	0.73	0.72
Utd O'Sea Bk F	9.30	9.05	9.20	9.10
Wing Tai Hdgs	2.16	2.05	2.11	2.06

*: in U.S. dollars.

Stockholm — SX 16 index: 3031.17 Previous: 3067.57

	High	Low	Close	Prev.
AGA B	96.50	95	95.50	95.50
ABB A	86.50	83.50	84.50	84.50
AssiDoman	204	199	199	199.50
Astra A	125.50	121	122	123
Atlas Copco A	221	216.50	217	220.50
Autoliv	301	300	300	300.50
Electrolux B	593	580	582	584
Ericsson B	314	298.50	301	307
Hennes B	325	314	315.50	322
Incentive A	648	640	641	643
Investor B	349	344.50	346.50	345
MoDo B	215	209	210	213.50
Nordbanken	253	250	250	251
Pharm/Upjohn	237	230	234	233
Sandvik B	225	214	215.50	222.50
Scania B	178	173	174	175
SCA B	168.50	165.50	166	166
S-E Banken A	83.50	81.50	81.50	83.50
Skandia Fors	360.50	356	359.50	355
Skanska B	294.50	291	292	292
SKF B	175	171.50	171.50	172.50
Sparbanken A	178	176	176.50	177.50
Stora A	102	98	98	100
Sv Handels A	256	249	249	253.50
Volvo B	204	197.50	198.50	199.50

Sydney — All Ordinaries: 2479.10 Previous: 2504.00

	High	Low	Close	Prev.
Amcor	6.70	6.29	6.36	6.61
ANZ Bkg	10.25	10.01	10.09	10
BHP	14.61	14.01	14.10	14.30
Boral	3.83	3.72	3.76	3.79
Brambles Ind.	27.85	26.75	26.99	27.25
CBA	17.38	16.96	17.05	17.20
CC Amatil	11.20	10.70	10.70	11
Coles Myer	7.29	7.15	7.18	7.17
Comalco	5.91	5.82	5.82	5.85
CSR	4.80	4.46	4.52	4.70
Fosters Brew	2.75	2.62	2.62	2.72
Goodman Fld	2.20	2.12	2.13	2.17
ICI Australia	10.96	10.79	10.80	10.80
Lend Lease	28.45	27.25	27.38	27.95
MIM Hdgs	1.28	1.20	1.20	1.27
Nat Aust Bank	21.30	20.45	20.46	20.80
Nat Mutual Hdg	2.33	2.27	2.29	2.30
News Corp	7.30	7.20	7.22	7.25
Pacific Dunlop	3.11	3	3.01	3.09
Pioneer Intl	3.87	3.74	3.77	3.82
Pub Broadcast	8.51	8.20	8.23	8.50
Rio Tinto	17.15	16.70	16.71	16.96
St George Bank	8.75	8.54	8.54	8.60
WMC	5.52	5.35	5.40	5.41
Westpac Bkg	8.83	8.65	8.71	8.68
Woodside Pet	11.60	11.20	11.21	11.50
Woolworths	4.61	4.45	4.49	4.56

Taipei — Stock Market index: 7483.92 Previous: 7554.94

	High	Low	Close	Prev.
Cathay Life Ins	135	132	132	132.50
Chang Hwa Bk	95	93	93.50	93.50
Chiao Tung Bk	68	66	66.50	66.50
China Developmt	92	89	89	89.50
China Steel	23.20	22.80	22.90	22.80
First Bank	96	94	94	94
Formosa Plastic	51	49.50	49.50	50
Hua Nan Bk	102.50	100	100	100.50
Intl Comm Bk	54	52.50	52.50	52.50
Nan Ya Plastics	51.50	50	50.50	51
Shin Kong Life	88.50	85	85.50	86.50
Taiwan Semi	125	118	119	121
Tatung	32.40	31.70	32.10	31.50
Utd Micro Elec	67	62	62	64
Utd World Chin	56.50	55	55	56

Tokyo — Nikkei 225: 15082.52 Previous: 15427.27

	High	Low	Close	Prev.
Ajinomoto	1090	1060	1090	1080
All Nippon Air	570	546	561	555
Amway	2500	2390	2450	2520
Asahi Bank	522	506	513	525
Asahi Chem	539	520	524	521
Asahi Glass	776	751	769	751
Bk Tokyo Mitsu	1610	1540	1540	1590
Bk Yokohama	381	361	368	391
Bridgestone	2560	2500	2510	2530
Canon	2850	2750	2750	2900
Chubu Elec	2060	2030	2060	2050
Chugoku Elec	1900	1870	1900	1900
Dai Nipp Print	2260	2200	2230	2250
Daiei	530	515	515	520
Dai-ichi Kang	909	866	867	908
Daiwa Bank	340	321	325	331
Daiwa House	1050	991	1000	1080
Daiwa Sec	605	570	575	595
DDI	3980a	3810a	3870a	3790a
Denso	2160	2080	2110	2220
East Japan Ry	5750a	5680a	5700a	5800a
Eisai	1690	1660	1670	1690
Fanuc	4570	4400	4460	4620
Fuji Bank	869	773	774	868
Fuji Photo	4300	4220	4220	4410
Fujitsu	1320	1280	1290	1300
Hachijuni Bk	1090	1070	1090	1080
Hitachi	905	888	888	899
Honda Motor	4210	4160	4190	4110
IBJ	1030	990	990	1020
IHI	264	256	260	265
Itochu	404	390	394	400
Ito-Yokado	5670	5470	5650	5550
JAL	399	388	390	396
Japan Tobacco	9590a	9520a	9530a	9700a
Jusco	2230	2170	2210	2230
Kajima	479	470	470	481
Kansai Elec	2100	2070	2100	2110
Kao	1710	1640	1680	1660
Kawasaki Hvy	291	285	289	293
Kawa Steel	218	210	215	212
Kinki Nipp Ry	695	683	683	687
Kirin Brewery	947	930	941	955
Kobe Steel	132	125	125	131
Komatsu	673	657	671	670
Kubota	408	391	400	414
Kyocera	6180	6100	6110	6160
Kyushu Elec	1960	1930	1960	1940
LTCB	308	268	271	302
Marubeni	340	310	328	341
Marui	1960	1900	1940	1960
Matsu Comm	3460	3300	3450	3260
Matsu Elec Ind	1940	1910	1910	1920
Matsu Elec Wk	1050	1020	1030	1040
Mitsubishi	935	910	917	922
Mitsubishi Ch	267	250	250	262
Mitsubishi El	354	341	341	367
Mitsubishi Est	1320	1240	1250	1240
Mitsubishi Hvy	497	485	489	508
Mitsubishi Mat	415	406	409	410
Mitsubishi Tr	1220	1150	1180	1190
Mitsui	894	871	875	894
Mitsui Fudosn	1190	1110	1140	1130
Mitsui Trust	310	290	305	320
Murata Mfg	4520	4330	4330	4540
NEC	1270	1240	1240	1250
Nikon	1470	1430	1470	1460
Nikko Sec	394	380	380	390
Nintendo	11000	10800	11000	11400
Nipp Express	665	642	665	655
Nippon Oil	458	442	458	450
Nippon Steel	249	243	245	249
Nissan Motor	643	616	618	651
NKK	155	151	154	153
Nomura Sec	1320	1280	1280	1320
NTT	9370a	9200a	9200a	9400a
NTT Data	5880b	5720b	5810b	5630b
Oji Paper	550	530	550	562
Osaka Gas	273	262	273	270
Ricoh	1600	1550	1580	1580
Rohm	11800	11800	11800	11800
Sakura Bk	473	446	460	442
Sankyo	3770	3700	3730	3830
Sanwa Bank	1060	999	1000	1050
Sanyo Elec	346	335	340	347
Secom	7320	7200	7250	7220
Seibu Rwy	5420	5370	5400	5360
Sekisui Chem	900	875	875	907
Sekisui House	999	985	985	1000
Seven-Eleven	8130	7990	8060	8340
Sharp	823	792	795	831
Shikoku El Pwr	1900	1860	1900	1890
Shimizu	470	450	450	469
Shin-etsu Ch	2670	2540	2600	2760
Shiseido	1660	1630	1660	1660
Shizuoka Bk	1100	1080	1100	1100
Softbank	2960	2860	2920	2860
Sony	9590	9320	9450	9670
Sumitomo	805	749	750	805
Sumitomo Bk	1230	1150	1160	1200
Sumit Chem	447	429	434	448
Sumitomo Elec	1650	1610	1620	1610
Sumit Metal	259	253	254	256
Sumit Trust	705	680	683	701
Taisho Pharm	3050	2980	3010	3030
Takeda Chem	3390	3310	3360	3400
TDK	9610	9290	9370	9240
Tohoku El Pwr	1900	1870	1870	1890
Tokai Bank	603	585	586	599
Tokio Marine	1080	1020	1040	1090
Tokyo El Pwr	2320	2290	2290	2310
Tokyo Electron	5700	5420	5490	5620
Tokyo Gas	290	283	286	289
Tokyu Corp.	533	512	522	521
Tonen	842	806	806	885
Toppan Print	1520	1470	1470	1520
Toray Ind	562	515	520	562
Toshiba	532	515	525	517
Tostem	1470	1430	1430	1430
Toyo Trust	752	720	738	725
Toyota Motor	3330	3290	3290	3340
Yamanouchi	2920	2860	2870	2900

a: x 100; b: x 1,000

Toronto — TSE Industrials: 6687.58 Previous: 6702.75

	High	Low	Close	Prev.
Abitibi Cons.	18.65	18.05	18.05	18.55
Alberta Energy	31¾	31.45	31.65	31.45
Alcan Alum	40.10	39.60	39.70	39.90
Anderson Expl	14.85	14.35	14.45	14¾
Bk Montreal	64.35	63.65	64.35	63.60
Bk Nova Scotia	62.35	61.80	62.35	61.95
Barrick Gold	25½	24.60	25.30	26
BCE	41.55	40.95	41.40	41¼
BC Telecomm	36.95	36.85	36.95	36.95
Biochem Pharm	36	36	36	34.05
Bombardier B	27	26.40	27	26¾
Cameco	53	52½	52¾	52¼
CIBC	43.60	42.80	43	43
Cdn Natl Rail	73	71.30	73	71.20
Cdn Nat Res	38	36.45	36½	36.20
Cdn Occid Pet	34¾	34¼	34½	34.60
Cdn Pacific	41½	41.10	41.20	41
Cominco	28.35	26.80	27¼	27½
Dofasco	23	22.85	22.95	23
Domtar	10.35	10¼	10¼	10.35
Donohue A	26	25¼	25¼	26
Du Pont Cda A	34.40	34	34.40	33¾
EdperBrascan	24¾	24½	24.35	24.65
Euro-Nev Mng	20¼	18¾	19.30	21.05
Fairfax Finl	342	336	336	341
Falconbridge	18½	17.90	18.10	18½
Fletcher Chall A	20.35	20.05	20.20	20.20
Franco Nevada	29¼	27.70	28¼	30
Gulf Cda Res	11.10	10.55	10.90	11
Imperial Oil	89.70	89¼	89.70	89½
Inco	26.45	25¼	25.80	26.10
IPL Energy	56¼	55½	56¼	56
Laidlaw B	19	18.60	18.85	18.90
Loewen Group	36.70	36	36.55	36.40
Macmill Bldl	17½	17.10	17.15	17.40
Magna Intl A	88	87	88	87.35
Methanex	13.10	13	13.10	13.15
Moore	22¼	21.70	21.85	21.90
Newbridge Net	65.90	62½	65	62.40
Noranda Inc	23.70	23.15	23.20	23½
Norcen Energy	32.15	31¾	31¾	31.40
Nthern Telecom	127½	125½	126.65	126
Nova	13¾	13½	13.60	13.70
Onex	33¼	32.60	32.95	32.95
Pancdn Petlm	23½	23.40	23.45	23.20
Petro Cda	29.05	28½	29	28.70
Placer Dome	18½	17.45	18.35	18.90
Poco Petlm	12.90	12.70	12¾	13.10
Potash Sask	117	115.70	115.70	117
Renaissance	32	31.15	31.30	31.90
Rio Algom	26¼	25½	26.10	26.35
Rogers Cantel B	19	18	19	18.40
Seagram Co	47.40	46.65	46.90	47
Shell Cda A	28¼	27.60	28.20	28.20
Suncor	49.70	48.55	49.10	49.65
Talisman Eny	47	46.55	46¾	47
Teck B	22¾	21.90	22	23¼
Teleglobe	45½	45.20	45.30	45½
Telus	31	30½	30.85	30.60
Thomson	35½	34½	35.40	35
TorDom Bank	51¼	50¼	51.20	50.80
Transalta	20.05	19.55	19.95	19.70
TransCda Pipe	27.90	27.65	27.80	27.85
Trimark Finl	70½	68¼	69.10	70
Trizec Hahn	32½	32.20	32.35	32½
TVX Gold	4.95	4½	4.90	5.20
Westcoast Eny	30.10	29.90	30.10	30
Weston	107½	100	107	105

Vienna — ATX index: 1251.43 Previous: 1232.22

	High	Low	Close	Prev.
Boehler-Uddeh	852.50	818	846.90	814
Creditanst Pfd	639	627	638	634
EA-Generali	3000	2754	3000	2750
EVN	1579	1505.05	1548	1499.50
Flughafen Wien	505	497.50	500	497.50
OMV	1730	1691	1699	1680
Oest Elektriz	970	960.50	964.50	960.50
VA Stahl	471	446	453	456
VA Tech	1965	1902	1950	1909
Wienerberg Bau	2375	2350	2375	2350

Wellington — NZSE-40 index: 2396.96 Previous: 2367.77

	High	Low	Close	Prev.
Air NZeald B	3.35	3.30	3.35	3.30
Brierly Invt	1.21	1.19	1.20	1.17
Carter Holt ord	2.75	2.71	2.72	2.70
Fletch Ch Bldg	5.00	4.85	4.85	5.00
Fletch Ch Eny	7.25	7.20	7.23	7.14
Fletch Ch Forst	1.58	1.57	1.57	1.58
Fletch Ch Paper	2.50	2.45	2.48	2.44
Lion Nathan	3.96	3.90	3.95	3.89
Telecom NZ	8.35	8.25	8.28	8.10
Wilson Horton	11.00	11.00	11.00	11.00

Zurich — SPI index: 3439.84 Previous: 3431.50

	High	Low	Close	Prev.
ABB B	1721	1695	1699	1693
Adecco B	406.50	396	400	403
Alusuisse R	1263	1248	1249	1251
Ares-Serono B	2325	2200	2235	2275
Atel R	830	813	830	817
Baer Hdg B	2080	2060	2080	2070
Baloise Hdg R	2505	2460	2480	2482
BK Vision	1224	1210	1218	1220
Ciba Spec Chem	143.50	141	142	139.50
Clariant R	1049	1035	1038	1040
Crd Suisse Gp R	207.50	203.50	204.75	204.75
Elektrowatt B	541	539	541	541
Ems-Chemie	7015	6950	7000	6970
ESEC Hdg	4100	4100	4100	4000
Holderbank B	1137	1102	1110	1104
Liechtenst LB B	541	541	541	540
Nestle R	1985	1965	1966	1964
Novartis R	2122	2100	2106	2096
Oerlikn Buch R	190	183	185.25	182.75
Pargesa Hld B	1810	1790	1810	1800
PharmVisn B	830	818	826	821
Richemont A	1560	1460	1480	1545
Pirelli PC	300	297	300	300
Roche Hdg PC	12580	12410	12440	12380
SBC R	383	377.50	379	377
Schindler PC	1550	1500	1530	1486
SGS B	2920	2755	2803	2701
SMH B	776	763	771	757
Sulzer R	939	915	915	925
Swiss Reins R	2159	2139	2142	2134
SAir Group R	1846	1800	1800	1821
UBS B	1695	1657	1679	1677
Winterthur R	1510	1490	1490	1495
Zurich Assur R	572	561	562	563

The Trib Index

Prices as of 3:00 P.M. New York time.

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	162.34	+1.51	+0.94	+8.85
Regional Indexes				
Asia/Pacific	91.69	-0.80	–0.86	–25.71
Europe	181.85	+0.32	+0.18	+12.81
N. America	204.94	+4.17	+2.08	+26.58
S. America	132.32	+6.89	+5.49	+15.63
Industrial Indexes				
Capital goods	207.27	+3.61	+1.77	+21.27
Consumer goods	192.18	+1.93	+1.01	+19.05
Energy	192.23	+1.05	+0.55	+12.61
Finance	112.22	+0.08	+0.07	–3.64
Miscellaneous	153.45	+1.15	+0.76	–5.15
Raw Materials	166.13	+0.90	+0.54	–5.27
Service	161.00	+2.24	+1.41	+17.24
Utilities	156.44	+3.25	+2.12	+9.05

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. — *Compiled by Bloomberg News.*

NASDAQ

Friday's 4 P.M.

The 1,000 most traded National Market securities in terms of dollar volume, updated twice a year.

The Associated Press.

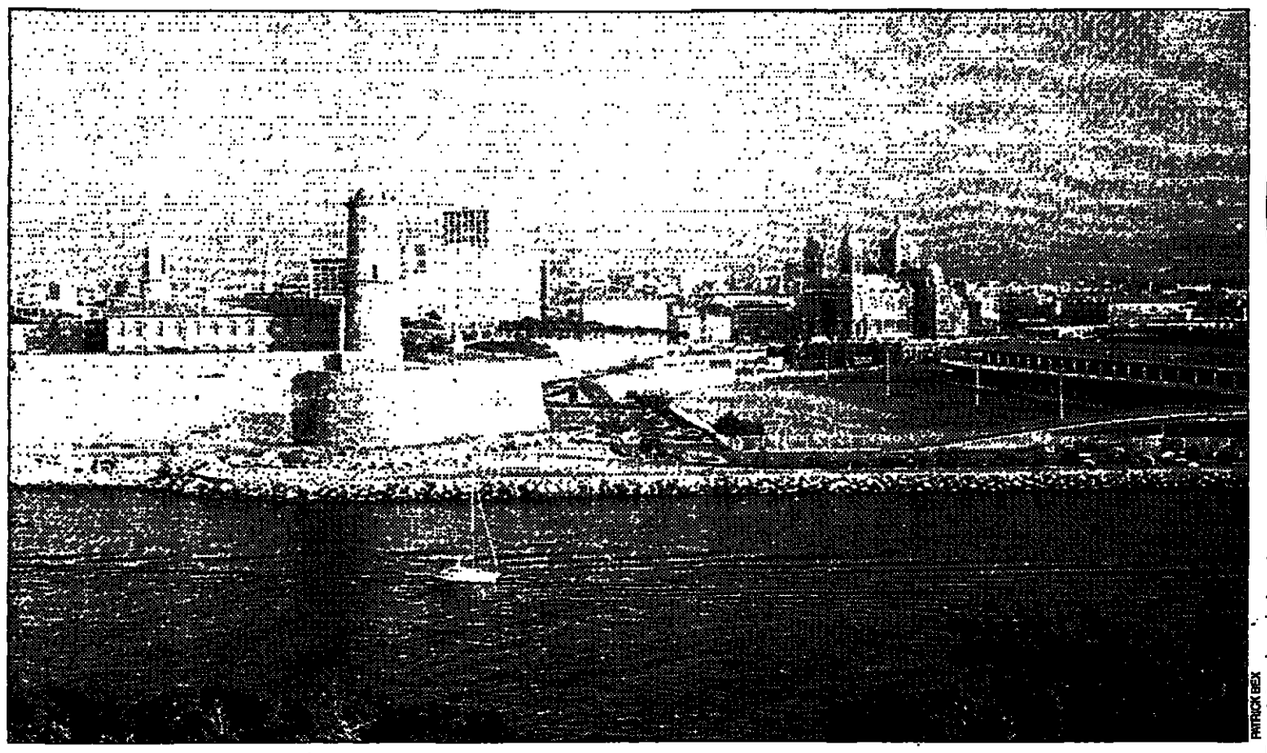
NYSE

Friday's 4 P.M. Close

(Continued)

MARSEILLES : THE EUROMEDITERRANEAN OUTLOOK

As Marseilles becomes a hub for the entire Mediterranean basin — which includes 22 countries — the Euroméditerranée development project is poised to meet the city's goals. These focus on urban renewal, real estate and transportation. One of the major areas being renovated, the Saint-Jean quarter (right) is located in the historic old port of Marseilles. This area will focus on tourism and maritime activities.



PATRICK BEX

'VIA MARSEILLES' REFERS TO MANY ROUTES

Transportation rivals New York's, Singapore's.

Transportation is a key component of economic development, and Marseilles is unusually fortunate in this regard. Long known for its port facilities, the city is located at a convergence of road, rail, air and sea access equivalent to that of only a few urban centers in the world, such as New York and Singapore.

The Marseilles-Provence International Airport is the first airport in France with a multi-modal complex that integrates air, sea, train and ground shipping needs. It is 20 minutes from the headquarters of the Euroméditerranée development project in downtown Marseilles, and has direct service to 91 cities and towns in 30 countries by 26 airlines. Every day, there are 40 direct flights to Paris. Barcelona, Madrid, Milan and Rome are all reachable by air within 90 minutes.

The airport is the country's second-largest for freight shipments and the third for number of passengers. Five million passengers pass through the terminal each year; this figure is expected to reach 11 million by 2015 and 17 million by 2030.

On the ground, Marseilles is equidistant from Milan and Barcelona, or from Paris and Zurich, or from Madrid and Brussels. The Bouches-du-Rhône department, where Marseilles is located, has 250 kilometers (155 miles) of motorway. The roads lead to destinations in three directions: north to Lyons, Paris and beyond; east to Nice, Genoa, Milan; and west to Montpellier, Barcelona and the Iberian peninsula. Fourteen million tons of merchandise are shipped by land through the Bouches-du-Rhône every year.

Fast train coming soon

Marseilles-Fos (Fos is the industrial port installation north of the city proper) is the first port in France, the first in the Mediterranean and the third-largest in Europe. Although the Mediterranean is the principal area of activity, ships from Marseilles make 390 Asian ports of call per year and 600 to the United States, and of course serve as a principal link with the African continent.

The port's 30-kilometers-plus of docks have some of the most up-to-date equipment in the world and handle 87 million tons of traffic annually, generated by 200 regular maritime lines.

In the heart of the city, the Saint-Charles train station is earmarked for renovation. It is already a hub for the city's urban and regional public transportation networks.

By the year 2000, it will be the site of the TGV (high-speed train) terminal in the south of France, with travel times from Marseilles to Lyons of one hour and 15 minutes, to Paris of three hours and to Brussels of four hours.

In conjunction with the development of the TGV terminal, the French National Railroad will make a one-billion-franc ($174.7 million) investment in cooperation with government authorities at all levels. These funds will be used to remodel the 15-hectare (37-acre) district around the train station into an efficient and pleasant urban environment linking road, rail and public transport. ●

Port Focuses on Cruise Ships

The Marseilles Port Authority has committed one billion francs ($174.7 million) to develop the Euroméditerranée area, the East Docks and the Port of Fos. This program will enable the Port of Marseilles to optimize both freight and passenger traffic. Passenger traffic, in particular, is growing rapidly. In 1992, fewer than 10,000 cruise ship passengers disembarked in Marseilles, but last year the city received 80,000 cruise passengers from eight cruise lines. By 2000, this number is expected to grow to 200,000 passengers. To welcome the cruise ships, a new port is being built. It will reflect the charm of the city, rather than present a purely industrial façade.

OLDEST CITY BECOMES THE NEWEST

Marseilles, along with Barcelona, is slated to become a "capital city" of Southern Europe.

In the year 2000, Marseilles will celebrate 2,600 years of history, making it France's oldest city. For much of that period, the city has played a historic role in the development of the southern tier of Europe and the Mediterranean basin. Its geostrategic position, natural resources and culturally rich population have turned it into France's second-largest city and largest port, as well as the number-one Mediterranean port.

In the past three decades, during which France lost its colonies and the European Union turned the country's attention to Northern Europe, Marseilles' influence declined. Today, new patterns of regional cooperation and trade auger well for the city's future.

"We are well-positioned to take advantage of patterns in world trade," says Thierry Martin, director of marketing and economic development for Euroméditerranée, an ambitious project to develop 310 hectares (766 acres) in the heart of the city.

Mr. Martin calls attention to the Mediterranean free-trade zone that will embrace the 15 countries of the European Union and the entire Mediterranean basin by the year 2010. The region encompasses 22 countries with a current population of 360 million, which is expected to grow to 490 million by 2010. The European Commission has allocated $12 billion, to be provided before the end of the century, to the development of the Euromed region.

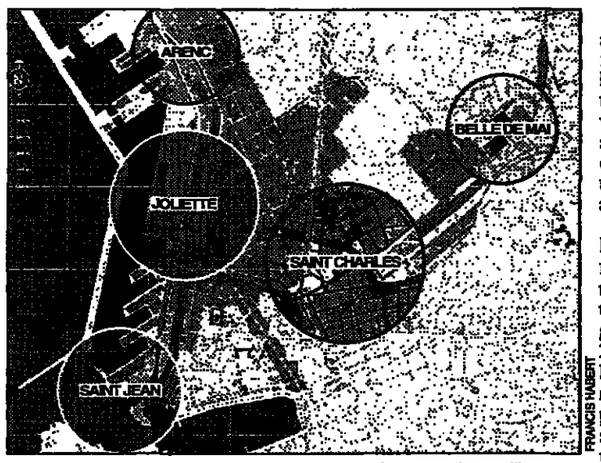
Within the EU, Marseilles is equidistant from Milan and Barcelona, the capital cities of their respective countries' leading economic regions. An affluent population of 24 million lies within this "Mediterranean arch," which includes the Rhône-Alpes and Provence-Alpes-Côte d'Azur, the second and third economic regions in France.

Complementary pair

Shifting patterns of trade and prosperity both within Europe and between Europe and its neighbors create "both uncertainty and exceptional hope," says Renaud Muselier, president of Euroméditerranée and deputy mayor of Marseilles.

Several major urban initiatives are under way to ensure that the city's future will be as impressive as its past. Between 1996 and 2001, the city landscape is being enriched by six projects representing 8 billion francs ($1.4 billion) worth of investment. These include

- Euroméditerranée (1.7 billion francs), a center city urban development for the service sector [see related article].
- The Grand Projet Urbain (800 million francs), the largest urban development project in France, designed to upgrade and reinvigorate the northwestern part of the city.
- Expansion of the Marseilles-Provence Airport (2 billion francs).
- The construction of a TGV (high-speed train) terminal in the city center (900 million francs).



FRANCIS HABERT

The urban renewal project is taking place in five major areas of Marseilles.

- The Grand Littoral, Europe's largest shopping center (1.5 billion francs).
- Improvements at the Marseilles-Fos port (1.2 billion francs).

Mr. Martin says the commitment represented by these undertakings ensures Marseilles' future as a capital of the southern region of Europe, along with Barcelona: "One city will not prevail over another. There will be cooperation between them. Marseilles is one of the cities best-positioned for the region's development in the years ahead." ●

THE EUROMÉDITERRANÉE DEVELOPMENT

It is the largest project of its kind in Europe.

Why do Anglo-Saxons spell the city of Marseille with an 's' at the end?" asks Philippe Stefanini, the locally born business development manager for Euroméditerranée, the city's multibillion-franc urban redevelopment project. "Maybe because there are so many aspects to Marseilles," he speculates. "There is Marseilles the port city, the Marseilles of history and culture, Marseilles the industrial power and, today, we are an urban service center, tapping our multicultural strengths to reinforce the Mediterranean arch."

The many faces of Marseilles are the focus of the largest urban redevelopment project in Europe, an ambitious program as multifaceted as the city itself. The role of Euroméditerranée is to spearhead and coordinate these various initiatives to restore the city's influence and enhance its appeal to investors, businesses, tourists, residents and prospective residents.

Some of the programs will improve the transportation infrastructure of the city's airport, port and train terminal. Another project will renovate two largely-abandoned districts in the north of the city. A 535 million franc ($93.5 million) investment will more than double the city's Grand Stade for football (soccer), in preparation for the World Cup, to be held in France next year.

The Grand Littoral, Europe's largest in-town shopping center and hypermarket, opened a year ago in Marseilles. An estimated 10 million visitors have shopped in the 140,000 square meters (1.5 million square feet) of stores and boutiques in its first year of operation.

Euroméditerranée itself has a 1.7 billion franc five-year budget: 50 percent funded by the state, 25 percent by the city of Marseilles, 10 percent by the region, 10 percent by the department and 5 percent by local communities. Within the confines of Euroméditerranée's 310 hectares (766 acres) are 450 businesses, including 141 in the service sector; 14,300 dwellings; 28,500 inhabitants; and 26,000 employees, about 80 percent of whom work in service occupations.

More than one-third of the Euroméditerranée project lies along the waterfront, a determining factor in its development.

"We want to leverage on the city's relationship with both the sea and the hinterland," says Christian Marion, an MIT-educated urban planner who is working on the overall scheme.

He and others are working with the city on zoning laws to accelerate changes in privately owned buildings lying within the project's perimeter. Urban planning is made more challenging by the city's seaside location, its economic diversity and the complex urban structures within its boundaries.

At the same time, these conditions make the potential solutions more innovative and satisfying, says Mr. Marion. The concrete piers of the old port are being torn down, and a portside highway is to be rerouted underground to reclaim sea views for office workers and strollers along the waterfront. Traffic flows are being rerouted to give arriving visitors an uninterrupted view of Notre-Dame de la Garde, the 19th-century basilica perched on a 154-meter (505-foot) hill south of the port.

The most innovative element of Euroméditerranée is the enthusiasm it engenders and the consensus it has created since the project was launched in December 1995. Michel Kester, director-general of SARI, a private firm investing in the area, notes that public support is solid and unanimous.

"And consensus does not come easily to us here in France," he observes. Private companies like SARI have confidence in their investments because of the widespread public support.

Another attraction is the long-standing tradition of business and trade. The Marseilles Chamber of Commerce will be 400 years old in 1999, making it the oldest in Europe, i.e., the oldest in the world.

The business culture is matched by a well-educated, multilingual workforce, with the country's third-largest concentration of European Union citizens whose first language is not French. Sixty consulates give it the largest diplomatic presence in France outside of Paris.

The number of work days lost to strikes is about one-fourth the French average, and the productivity of French workers in general is second only to that of the United States, according to Eurostat. Yet workers in Marseilles cost 30 percent less than in Paris, and they stay longer.

"Our workforce is more educated because people who come here for work don't want to leave if they are transferred," says Mr. Stefanini of Euroméditerranée.

The Provence-Alpes-Côte d'Azur region is second in France for public research and third for private research. Marseilles is the second city in France in terms of employable researchers. Three universities, 16 *grandes écoles*, and 90,000 students add to the quality of the labor force.

There are also a number of local, state and European financial incentives. Perhaps the most enticing is exemption from professional taxes for five years if a medium-sized or large company (more than 250 employees) sets up in headquarters in Marseilles and employs 30 people locally.

Contrary to public perception, Marseilles ranks below Paris, Nice, Montpellier, Strasbourg — and five other French cities — in crime rates, i.e., felonies per capita.

Every franc of the public money being spent on this redevelopment is expected to generate three francs of private investment.

And we haven't even mentioned the city's other attractions: the sunshine, the sea, the bouillabaisse, 17 golf courses and an equal number of scuba clubs, two philharmonic orchestras, 23 theaters, opera and ballet companies, the evocative Camargue, breathtaking Calanques, and the Alps within two hours of the city.

Perhaps even the French should spell "Marseille" with an "s" at the end. The many faces of Marseilles are as surprising as they are rewarding. ●

REAL ESTATE BOOM

As the outline of the Euroméditerranée development project in Marseilles is mapped out with drawing boards and demolition crews, the first signs of a real estate turnaround are already evident. Michel Kester, director-general of SARI, a private firm investing in the area, points to two trends. A decade ago, all new office development was taking place to the southwest of the city, he says. "Eighty percent of new office space was being built there. Now the trend is completely reversed: 80 percent of new office space is being developed in Porte d'Aix and Les Docks [areas being renovated in the Euroméditerranée perimeter]."

He also cites the number of new residential apartments being sold in the center of Marseilles, a figure that has doubled in the last two years.

Within the boundaries of the Euroméditerranée project, 6,000 homes are being renovated and another 6,000 new housing units are being constructed. Local services and amenities — from tree-planting to schools to hospitals — are being added or upgraded.

"Euroméditerranée's strong and determined action on urban development, housing and amenities will make the city a more appealing, welcoming and charming place to be," says Renaud Muselier, president of Euroméditerranée and deputy mayor of Marseilles.

Action is focused on five areas. The first is a project in La Joliette, a business and technology center of 15 hectares (37 acres) along the port. Within La Joliette, Les Docks is a private venture involving 100,000 square meters (1.08 million square feet) of office space. Les Docks offers modern office amenities in a beautifully restored 19th-century building across two hectares of waterfront.

"It's like a skyscraper taking a nap," smiles Michel Kester of SARI, developer of Les Docks.

The building's available office space is being sought after by shipping, finance and communications companies, as well as by restaurants and shops.

The second development area is Saint-Jean. Located in the historic old port of Marseilles (Fort Saint-Jean was built under Louis XIV), the area will focus on tourism and maritime activities. It is situated at the entrance to Le Vieux Port, lying opposite the islands of Fnoul and Chateau d'If. The space at the foot of Fort St. Jean and the Cathedral de la Major will be the site of attractions that will draw tourists.

Third, Saint-Charles-Porte d'Aix will link business, housing and hotels in the heart of the city's transportation hub, where the train station and university are located. Place Jules Guesde will host a mixed development of residential property and services such as shops, hotels and restaurants. The university will add faculties devoted to international trade, business and law.

Belle-de-Mai, the fourth development area, holds dozens of theatrical and other artistic performances annually. The French Ministry of Culture and the city are locating the Interregional Center for the Restoration and Conversation of Treasures of Art (with museum workshops from the Louvre and Versailles) in this area. Future developments in Belle-de-Mai will include film and music, the media, design and fashion, advertising and electronic publishing.

Finally, Arenc will focus on office space and will also include housing and public recreation areas. Its position between the port and the airport will attract activities to the northern part of the city.

In addition, the Marseilles Provence Technopole, together with the technology park at Château-Gombert and the science and technology park on the Luminy campus of the university, provide ample facilities for research.

AIR HUB WILL UNITE TWO TERMINALS

To accommodate the growth of Marseilles-Provence International Airport, 2 billion francs ($349.4 million) are being invested over the next 10 years. A major component is a new structure to unite the two existing terminals. When completed in 1999, the unified terminal will shorten correspondence time to less than 45 minutes between flights. Also, 95 percent of departures will have access directly from the terminal gate to the airplane.

Traffic flows have been planned so that planes changing from national to international destinations need not change gates — an advantage for airlines and passengers.

Passenger comfort and security are top priorities: shopping and waiting areas have been designed with the human element in mind. Clear signs will make it easier for passengers changing planes, and natural lighting and comfortable seats are an integral part of the new facility.

USEFUL ADDRESSES

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ASIA/PACIFIC

China's Economic Dynamo Begins to Run Out of Steam

By Peter Hannam
Bloomberg News

BEIJING — More than 10,000 new Charade cars built by China's second-largest automaker, Tianjin Automotive Industrial Co., sit unsold.

The company has been trying all year to unload its rising inventory, which now equals about 10 percent of its projected sales for the year. It cut prices, and it cut production, all to no avail.

"On our books, our inventories total 5,000 cars," Shen Zhu, an executive at Tianjin, said. "In fact, we have well over 10,000 cars unsold."

So it goes these days across China, where the economy is slowing so much that prices are falling for the first time since the country charted a course toward a free market two decades ago.

Far from being immune to the financial shocks sweeping the rest of Asia, this country of 1.24 billion people may be in worse shape than many people think, and a slowdown in China — with consumers spending less and factories producing less — will not help the rest of Asia shake off its economic blues.

China's growth is likely to slow in 1998 for a sixth consecutive year. Deflation is setting in, at least temporarily, and the country's factories, many of them money-losers, are already operating at less than 70 percent of their capacity.

Government figures tell only part of the story. What is happening at companies such as Tianjin points to deeper problems, economists and executives said.

Growth here is still the envy of other Asian nations such as Thailand, where the government has forecast growth of less than 1 percent for this year. China's economy grew at an annual rate of 8 percent in the third quarter.

For China, though, that was the slowest growth in five years. This week, the government said consumer prices fell 0.4 percent in October, suggesting that rising factory inventories and weakening consumer spending would keep a lid not only on inflation but also on economic growth and corporate profits.

"Very few people expected the economy to be so weak," said Joe Zhang, economist with Credit Lyonnais Securities (Asia).

Ma Guonan, an economist at Salomon Brothers, is cutting his forecast for growth next year in China to 8 percent. "The consensus for 1998 was 9.8 percent last month, but that will come down," Mr. Ma said.

As the economy slows, Beijing will have a tougher time keeping its promises to streamline unprofitable state companies, strengthen the country's banks and continue to open China's doors to foreign trade.

Next week, the country's economic leader, Zhu Rongji, is expected to tell the country's bankers that four years of austerity measures designed to kill inflation have come to an end.

China's troubles are already apparent in its labor market. The 47 percent of state-owned companies that are losing money will have to cut millions of jobs — cuts that Beijing knows will threaten to stir social unrest.

"By our estimates, 600,000 jobs will have to be diverted from the textile industry by 2000," said Shao Lihua, an official of the research department of the China Textile Council, the industry's semiofficial regulator.

■ Trade Surplus on the Rise

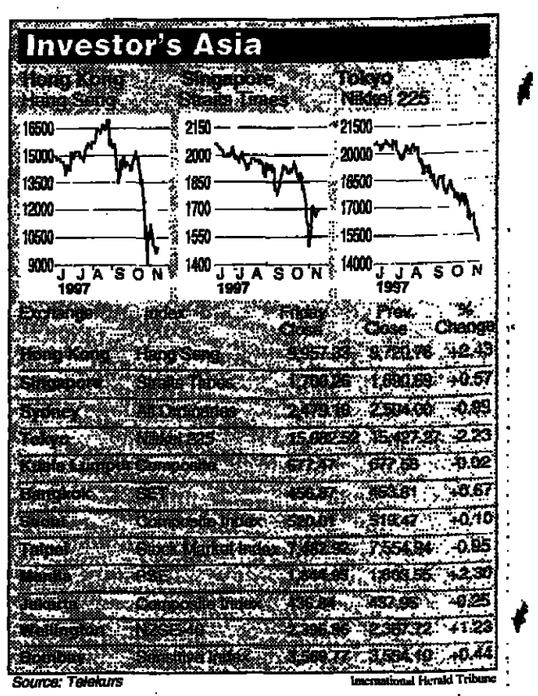
China's trade surplus continued to grow in October as exports outpaced imports by about $5 billion, the state media reported, citing customs data.

The mounting trade surplus suggests that China's exports have yet to suffer from the weakening currencies and slowing growth across much of Asia.

Li Yushi, a director of the Foreign Trade Institute, predicted that China would post a record $40 billion trade surplus this year, more than double the previous record of $16.6 billion in 1995.

The China Daily newspaper said China's exports in the first 10 months of 1997 totaled $146.8 billion, up 23 percent from a year earlier. Imports rose only 3.7 percent, to $111.2 billion, giving China a $35.6 billion trade surplus for the period.

Investor's Asia



Exchange	Index	Prev. Close	Close	% Change
Hong Kong	Hang Seng	9,757.99	9,781.76	+0.24
Singapore	Straits Times	1,676.28	1,686.69	+0.62
Sydney	All Ordinaries	2,979.10	2,954.00	-0.84
Tokyo	Nikkei 225	15,692.59	15,427.21	-2.23
Kuala Lumpur	Composite	677.57	677.08	-0.02
Bangkok	SET	455.27	457.81	+0.67
Seoul	Composite Index	520.08	518.47	+0.10
Taipei	Stock Exchange Weighted Index	7,662.92	7,554.94	-0.95
Manila	PSE	1,944.09	1,993.55	+2.30
Jakarta	Composite Index	732.94	732.06	-0.25
Wellington	NZSE-40	2,296.90	2,367.22	+1.23
Shanghai	Composite Index	1,099.72	1,104.10	+0.44

Source: Telekurs — International Herald Tribune

Very briefly:

• **Yamaichi Securities Co.**'s shares plunged 23 yen (18 cents), or 18.7 percent, to close at 100; analysts said big institutions had sold on persistent speculation that the brokerage's finances were in worse shape than it had admitted. Its share price has tumbled 81 percent this year.

• **Long-Term Credit Bank of Japan Ltd.** will offer mutual funds managed by the U.S. concern **Fidelity Investments** in one of its Tokyo branches next month; last month it began offering funds of **Invesco Asset Management Ltd.** of Britain.

• **Fuji Photo Film Co.**'s group net profit for the six months that ended Sept. 30 rose 11 percent, to 50.22 billion yen, aided by a strong dollar and an increase in U.S. market share at the expense of **Eastman Kodak Co.** Sales rose 12 percent, to 673.28 billion yen.

• **Virgin Group Ltd.** plans to open 10 cinema complexes in the Tokyo area by 1999. Its announcement followed a series of similar moves by **Time Warner Inc., Cinemark USA Inc.** and **AMC Entertainment Inc.**

• **Pakistan** plans to open its real-estate, agriculture, health and education-services sectors to foreign investors in a plan to attract $1 billion of foreign direct investment in the next fiscal year.

• **WPP Group PLC**, the world's largest advertising company, expects to generate one-third of its business from the Asia-Pacific region and Latin America in three to five years, up from about 20 percent currently.

• **India** has agreed to lift a ban on imports of 2,700 agricultural, textile and industrial goods from the European Union. The agreement ends a trade dispute brought before the World Trade Organization this year.

• **Australia's** growth rate may be cut by as much as three-quarters of a percentage point because of the economic turmoil in Asia, Barry Hughes, chief economist at Credit Suisse First Boston Australia, said.

• **Taiwan's** economy grew at an annual rate of 6.9 percent in the third quarter, compared with 6.3 percent in the second quarter, according to government data. *Bloomberg, Reuters, AFP*

Mazda's President Resigns As Carmaker's Net Jumps

Compiled by Our Staff From Dispatches

TOKYO — Mazda Motor Corp.'s president, Henry Wallace, the first non-Japanese person to head a major Japanese company, stepped down Friday after helping steer the world's 12th-largest automaker out of a four-year slump, the company said.

Mazda's vice president, James Miller, 51, an American who is part of a management team installed by Ford Motor Co., was named to the top post at Mazda. Mr. Miller recently headed Ford's East European and South African operations.

Ford, which has a 33.4 percent stake in Mazda, announced Friday that Mr. Wallace would become the chief financial officer for its struggling European operations and that Jim Donaldson, vice president of vehicle development for trucks, would be president, effective Jan. 1.

The move restores autonomy within Ford to the region's executives that had been lost in a corporate reorganization plan three years ago.

Mr. Wallace, 52, cited as the reason for his departure from Mazda the company's improved financial performance and its strengthened ties with Ford, Hiro Akutagawa, a company spokesman, said.

Mr. Wallace, a native of Scotland, assumed the top job at Mazda, Japan's fifth-largest carmaker, in June 1996, shortly after Ford increased its stake in the company to 33.4 percent from 25 percent. Mr. Wallace, who previously was head of Ford's Venezuela division, will get a new post at Ford in Britain, Mazda said.

"Wallace's departure is not unexpected," said Saul Rubin, an auto analyst at SBC Warburg Japan Ltd., noting that Mazda could now expect stronger profit growth after racking up losses for much of the decade.

The appointment of Mr. Wallace last year stirred concern that Mazda, once a family-run business, would face massive job cuts and a future as little more than a small-car division of Ford. Mr. Wallace sought to put those fears to rest by pledging to trim jobs by attrition rather than layoffs.

The boardroom changes came as Mazda said parent-company net profit tripled in the April-September period to 555 million yen ($4.4 million) while sales rose 11 percent to 746.22 billion yen.

The company has posted losses at the group level, which includes the parent company and its subsidiaries, since the year that ended in March 1993. But Mr. Rubin said Mazda probably would return to profitability after the current financial year.

Mazda's shares fell 12 yen, or 3.2 percent, to close at 361 on the Tokyo Stock Exchange. Mr. Wallace's decision to resign from Mazda came several months after he originally planned to leave Japan. He initially told family members his tenure in Japan would be limited to three years from the date of his transfer to Mazda in 1993. *(AP, Reuters)*

Toru Yamanaka/Agence France-Presse

Mazda's new chief, Mr. Miller, right, at a news briefing Friday.

IMF Chief Is Upbeat as New Thai Cabinet Takes Office

Compiled by Our Staff From Dispatches

BANGKOK — The new prime minister, Chuan Leekpai, unveiled his cabinet Friday, five days after gluing together an eight-party coalition government.

Separately, the managing director of the International Monetary Fund, Michel Camdessus, said after a meeting with Mr. Chuan that Thailand would see renewed growth in the second half of next year if it stuck to the tenets of an IMF-backed rescue package for the country.

Tarrin Nimmanahaeminda, just appointed finance minister, will be assuming the job for a second time. Analysts said he had the support from business that would be needed to tackle the country's economic crisis. Mr. Tarrin, a banker turned politician, served as finance minister under Mr. Chuan in the last Democrat-led administration from 1992 to 1995.

"Tarrin's excellent record as banker and finance minister can help regain foreign confidence, which is most crucial at this time," Khanchit Assavasamrarn of the securities firm Vickers Ballas & Co. said.

Analysts added that Thailand needed a strong economic team to oversee the austerity drive linked to the IMF-led bailout. Mr. Tarrin said this week that Thailand remained fully committed to the program and that any adjustments needed to facilitate or reinforce the austerity measures would be made.

Over the past few months, the new finance minister criticized the government of former Prime Minister Chaovalit Yongchaiyut for failing to acknowledge the gravity of the country's economic crisis and for its reluctance to cut deeper into state budgets.

Mr. Camdessus, during his visit to Thailand this week, said growth in the country's gross domestic product, which has fallen nearly to zero from more than 8 percent a year between 1985 and 1995, should eventually recover to between 6 percent and 7 percent annually.

Thai stocks rose after the IMF said it was satisfied with Thailand's efforts at economic reform. The benchmark SET stock index rose 3.06 points, or 0.7 percent, to 456.87, but it was still off 7.3 percent for the week. *(Bloomberg, AFP, Reuters)*

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BOENG: *Aircraft Builder Seeks to Recover From Lawsuits and Production Delays*

Continued from Page 13

example, offers airlines a choice of 37 cockpit clipboards. And any change has to be transferred to hundreds of documents, a laborious process prone to error. The system is so complex that those who now manage it require more than two years of training.

"It is absolutely amazing that we could stay this long with the inefficiencies that we have," said Robert Hammer, Boeing's vice president in charge of modernizing the system. "We should have gotten rid of the system in the '50s."

The new system, inspired by the auto industry, will not be fully instituted until 1999. Boeing plans to organize parts into three groups: those standard on every plane; those fitting a defined set of options, like a particular type of jet engine, and those that are custom requests.

The extent of the changes, which cut across every aspect of Boeing's operations, is enormous. Mr. Hammer is junking 400 mainframe computers and compiling a single data base so that any change in specifications will be reflected immediately on every computer screen rather than taking days to circulate on paper.

"We are in a transition period that is very difficult, so we are causing some of the chaos," admitted Mr. Hammer, a 36-year Boeing employee. All the complaints, he said, made him feel "like the Boy Scout who is trying to help the lady across the street and she doesn't want to go."

One advantage of the new computers is that they recognize the year 2000. But workers must type in all four digits of the year. Mr. Hammer could not figure out why the system was malfunctioning until he discovered that people were typing in "97" and, when asked for two more digits, typing in "97" again. So the computer was calculating parts requirements for the year 9797.

Such glitches added to the confusion at suppliers, which were already stretched to the limit. Shortages of key parts began to develop.

In addition, after laying off so many workers in the early 1990s, Boeing had to scramble to find people to build its airplanes, hiring 32,000 workers in the last 18 months. Despite what they describe as an aggressive training program, with five weeks of instruction before starting work, Boeing executives acknowledged that many new workers were still not fully prepared.

The company hoped to 'muscle its way' through the production problems by adding more staff.

Boeing has "incurred the penalty" of these people learning on the job, said Gary Scott, the vice president in charge of producing the 737 and 757.

Boeing's critics contend that top managers knew about all these problems long before October's revelations. Indeed, the shareholder suits assert that Boeing violated general accounting standards by not reporting the costs of the production delays when it released second-quarter results on July 21. Had the company done so, the first complaint argued, its stock price would have plunged just as Boeing was awaiting approval of its offer to buy McDonnell Douglas with Boeing shares. A drop in price would have made that purchase more expensive, perhaps even scuttling the deal.

The complaint, which was filed Oct. 31 and is seeking unspecified damages, also noted that in August — just three weeks before Boeing started to acknowledge its problems — Philip Condit, Boeing's chairman and chief executive, sold $1.2 million worth of Boeing stock and Boyd Givan, chief financial officer, sold $825,000 worth.

Both men declined to comment, and a company spokeswoman said Boeing would vigorously contest the lawsuits.

Mr. Woodard said that until late September he was convinced that Boeing could "muscle its way" through the problems by adding more people and having everyone work overtime.

Producing a chart showing the number of different tasks on 747s that were behind schedule each day, he pointed out that the number had dropped to about 7,000 in July, then showed a sudden spike to more than 14,000 by early September. A manageable number is considered to be anything less than 3,000. "I wish we would have figured out what was happening a little sooner," Mr. Woodard said. "But things just went ballistic on us in August and September."

Analysts now say it will be 1999 before Boeing is making airplanes at a significant profit again. And some worry that it still does not have a handle on its production problems.

But Mr. Woodard said he was confident that the worst was over and that Boeing would be able to make 43 planes a month next year.

So far no heads have rolled, but Mr. Woodard knows he is under the spotlight. "I certainly feel anxious," he said. "If it happens again, I would guess that careers could be limited."

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Indonesian Bank to Sell Stakes In Sign of Likely Consolidation

Bloomberg News

JAKARTA — PT Bank Danamon's majority shareholders said Friday they would sell large stakes in the company to Salim Group of Indonesia and to Credit Suisse First Boston in what could be the first of many mergers and acquisitions in Indonesia's troubled banking industry.

"It's just the beginning," said Lin Che Wei, research director at SocGen-Crosby Securities in Jakarta: "Look at all those small banks out there — who's going to put their money with them now that 16 banks have been closed?"

The government recently closed 16 insolvent banks to try to reform its finance industry as part of a $23 billion International Monetary Fund-led rescue plan.

The Salim family will buy 19 percent of Bank Danamon, while CS First Boston is expected to buy 10 percent, an investor-relations officer at Bank Danamon said. The 19 percent stake in Bank Danamon is estimated to cost 224 billion rupiah ($65.8 million).

Concern about the tottering banking system has pulled the Jakarta Finance Index of 56 banks, finance and insurance companies down 57 percent since Aug. 1.

Restructuring the banks is the centerpiece of the IMF's plan to restore confidence in the economy.

Even the Salim family, which controls Indonesia's wealthiest business group and has close ties to President Suharto and his family, has not been immune to the country's economic troubles.

Its flagship business, PT Bank Central Asia, Indonesia's largest bank, with $15 billion in assets, reported a run on deposits Friday at branches in Medan, Jakarta and Sulawesi that it attributed to speculation that its majority shareholder, Liem Sioe Liong, had died. An employee of Mr. Liem in Singapore said Mr. Liem was alive and well.

Shares in Danamon — which has more than $6 billion in assets and is the third-biggest banking stock on the Jakarta Stock Exchange — jumped 37 percent Thursday on takeover speculation. On Friday, they fell 25 rupiah to close at 650.

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Herald Tribune INTERNATIONAL

THE MONEY REPORT

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MONDAY: SPORTS

South Australian Tourism Commission

The Wynns vineyard, which produced a 1986 Cabernet Sauvignon that is among the wines whose value has greatly increased in recent years.

Tasting Hearty Profits in Australia's Fine Reds

By Michael Richardson

BUYERS OF the best vintages of a select group of premium Australian wines, mainly reds, can end up with a most profitable investment.

"In the last two years, the market for fine Australian wine has suddenly accelerated," said Andrew Caillard, a director of Langton's Fine Wine Auctions, which has offices in Sydney and Melbourne and accounts for about 75 percent of the wine sold at auction in Australia.

According to MLE Wine Valuer and Investments Pte in Adelaide, premium Australian wines from good vintages are increasing in value by an average of 12 percent a year, with leading wines providing much higher returns.

Greg Cornish, MLE's managing director, said that prices had increased in the 1990s mainly because of increased international interest in Australian wines and because 1990 was an outstanding vintage.

"With this demand came a huge increase in wine prices at the premium end of the market, which is not showing any signs of slowing down," he said.

Reflecting the surge in demand, Langton's revenue nearly doubled in 1996 to 4.3 million Australian dollars ($2.9 million).

The buying is coming not just from Australian investors and connoisseurs. A small but financially powerful group of foreign buyers — mainly from Asia, Europe, the United States and New Zealand — is also snapping up top Australian reds.

"Foreign wine investors are discovering superfine Australian wine," Mr. Caillard said. "Overseas buyers account for about 30 percent of our sales by value. The Asians, chiefly from Hong Kong and Singapore, are interested in the best vintages of the top reds."

A prime target is Penfolds Grange Bin 95 Shiraz from the Barossa Valley, in the state of South Australia, which is probably Australia's best-known wine. Shortly after its release, the 1990 vintage was ranked first by the Wine Spectator, an influential U.S. magazine, in its annual list of the world's top 100 wines in 1995.

The price of the 1990 Penfolds Grange has since soared. Released at a price of 120 dollars a bottle, it sold for 160 dollars a bottle at Langton's Sydney auction in September 1995, for 300 dollars a bottle in February 1997 and for 430 dollars at Langton's latest sale in October.

A complete vertical set of Penfolds Grange, from the first released in 1951 to one of the last in 1991, was sold by Langton's on April 11 for 43,500 dollars. A bottle of the 1951 vintage alone is currently worth about 16,000 dollars, up from 1,750 dollars in 1993.

Other Australian wines that have greatly increased in value in the past few years include Henschke Hill of Grace Keyneton Shiraz 1990 from South Australia and Henschke Mount Edelstone 1990; Mount Mary Quintet Yarra Valley Cabernets 1988 from the state of Victoria; Penfolds Bin 707 Cabernet Sauvignon 1986 and Penfolds St. Henri Shiraz from the same year; Wynns Coonawarra Estate John Riddoch Cabernet Sauvignon 1986, and Lindemans St. George Vineyard Coonawarra Cabernet Sauvignon 1986. The last four wines are from South Australia.

While many buyers intend to drink their wine after it improves with age under proper cellar conditions, others plan to sell for profit.

Fine vintage wine is usually easy to sell if it is in good condition. Home storage is relatively inexpensive and there is no capital-gains tax levied in Australia if the wine is classed as an asset for personal use and is sold for less than 500 dollars a bottle.

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A Haze of Uncertainty Over Tobacco Stocks

But Analysts See Good Short-Term Outlook

By Barbara Wall

AS THE NUMBER of class-action lawsuits against tobacco companies throughout the world continues to grow, many shareholders may be questioning the wisdom of investing in these increasingly volatile stocks.

Japan Tobacco Inc. is the latest casualty of the litigation war. A spokesman for the cigarette maker confirmed Monday that a group of anti-smoking lawyers was to file a class-action suit in the spring on behalf of Japanese lung cancer patients. Unlike other targets in such suits, Japan Tobacco is a state-controlled tobacco manufacturer. Even though it was floated on the Tokyo Stock Exchange in 1985, the government has retained a majority holding.

An analyst specializing in Japanese equities said that if the class action was to go to trial — two previous individual lawsuits against Japan Tobacco were thrown out due to insufficient evidence — it could open the floodgates to class-action claims throughout the Asia-Pacific region.

American-style class-action suits also have been filed in Britain and France, although the damages claimed by the plaintiffs are a fraction of comparable individual claims in the United States. Martyn Day, a lawyer representing 44 cancer patients in Britain, is seeking an estimated £50,000 ($85,000) per client, while French lawyers have claimed 4.3 million francs ($754,000) on behalf of two smokers. The states of Mississippi and Florida settled their lawsuits against U.S. tobacco companies for $3.6 billion and $11.3 billion, respectively.

Whereas the U.S. legal system allows for punitive damages, the law in most European countries allows only for compensatory damages. This has kept liability awards against European tobacco companies relatively low.

Nevertheless, Mr. Day said shareholders in British tobacco companies were in for a rough ride.

"In Europe, the tobacco litigation story has just started to unfold," he said. "The documentary evidence against the tobacco industry is growing by the hour and the time is now right to tackle the industry head-on."

The prospect of further lawsuits against British tobacco companies has not stopped investment advisers from recommending these stocks to clients. Simon Davies, an investment strategist with the investment managers Berry Asset Management in London, said he had been buying and holding tobacco stocks on behalf of clients throughout 1997.

"Balance sheets have been hit because tobacco companies have taken money out in preparation for future claims," he said, "but generally speaking, the short-term outlook for the British tobacco industry looks positive."

Cigarette sales in Britain have been contracting at about 2 percent a year, he said, but sales opportunities have been opening up elsewhere, especially in Asia, Eastern Europe and Latin America.

"British tobacco stocks appear incredibly cheap at present and are certainly worth the investment risk," Mr. Davies said. Britain's largest cigarette producers, Imperial Tobacco Co., maker of Embassy brand cigarettes, and Gallaher Group PLC, maker of Benson and Hedges and Silk Cut, are currently trading at discounts of more than 50 percent to the market, based on their price/earnings ratios. The only other tobacco stock listed on the Financial Times 100 All-Share Index is BAT Industries PLC, which is trading at a discount of 35 percent.

But Mr. Davies warned that tobacco stocks, because of the risk inherent to their main business, probably were not a long-term buy-and-hold investment.

"For those investors who are looking for a 15-year play, tobacco stocks are

Continued on Page 21

All You Can Eat: Restaurant Offerings From the World Market Menu

Fast-Food Kings From U.S. Find Growth Abroad

By Judith Rehak

AMERICANS ARE the world champions of fast-food consumption. In 1996, they spent a whopping $91.9 million on an array of hamburgers, French fries, pizzas and tacos, accounting for 40 percent of all restaurant sales in the United States, according to Restaurant Business, a trade publication.

But even more amazing is that fast-food consumption in the country that gave the world McDonald's, Pizza Hut and Kentucky Fried Chicken is slipping. Those mind-boggling numbers are actually down from 1995, when fast food rang up $94 million, accounting for 41 percent of U.S. restaurant sales.

For those who would rather invest in fast food than eat it, the figures reveal a significant trend: Like fat in some hamburgers, the market is saturated.

"The big growth is overseas," said Marjorie Coeymans, a senior editor at Restaurant Business. "To make big money here, you need the "A" locations, and they're all gone, so you have to settle for a "B" or "C" location, where it's much more of an uphill battle."

Nowhere is this more clearly reflected than at McDonald's Corp. Still the undisputed king of the fast-food world, it has seen its stock battered by some Wall Street analysts unhappy with its unimpressive returns in the United States.

But don't count McDonald's out investment-wise, said the restaurant analyst Peter Oakes of Merrill Lynch & Co.

He acknowledged that the company had been struggling at home, but noted that 63 percent of its $755 million in operating income for the third quarter came from outside the United States. Of its 21,022 outlets at the end of 1996, 8,928 were outside the United States, according to market researchers Technomic Inc. McDonald's has added outlets in 10 new countries this year, helping the figures swell by the end of the third quarter to 22,246 restaurants worldwide, of which 10,000 are not in the United States.

"The international component is growing at a much faster clip," Mr. Oakes said. "The view of McDonald's as a U.S. company is more antiquated by the day."

Moreover, there is relatively little domestic competition for American giants overseas, where the fast-food industry is more fragmented. Quick Restaurants SA, a Belgian hamburger chain, has fallen victim to consumer fears over "mad cow" disease, which has just been discovered in Belgium. Quick recently bought some former Burger King outlets in France, where it does about 70 percent of its business.

In Japan, McDonald's and Kentucky Fried Chicken Japan lead the pack, but there are far too many fast-food stores for the market size, said Kazue Yanagisawa, an analyst at Dresdner Kleinwort Benson. McDonald's price-cutting has hit the third-largest group, Mos Food Services, which makes a Japanese version of a hamburger. In Ms. Yanagisawa's view, prospects look better for Yoshinoya D&C Co., a less-expensive chain that specializes in Jap-

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Leading U.S. Fast-Food Chains Abroad % growth in 1996

	International outlets	Total outlets	1996 growth abroad
McDonald's	8,928	21,022	27.3%
Kentucky Fried Chicken	4,784	9,863	5.7
Pizza Hut	3,633	12,334	12.0
Burger King	1,817	8,874	13.8
Baskin-Robbins	1,700	4,311	1.2
Subway Sandwiches	1,668	12,516	25.8
Tim Hortons	1,362	1,384	15.4
Dunkin' Donuts	1,252	4,452	16.5
Domino's Pizza	1,200	5,500	17.6
Dairy Queen	681	5,716	8.1

Source: Technomic Inc.

International Herald Tribune

Smells Good, but Is It Digestible? Check the Books, Not the Kitchen

By Ann Brocklehurst

FOR INVESTORS with an appetite for something more refined than fast food, there is a gourmet selection of restaurants available on world stock markets. Would-be buyers must ensure, however, that the companies that tempt them are as tasty as the products they sell, since making food and earning money are not necessarily compatible.

When assessing restaurant stocks, the biggest mistake an investor can make is "using his own palate and assuming it is the same as the average person's," said Bryan Elliott, a restaurant analyst at Robinson Humphrey in Atlanta. "They need to look at sales per square foot and profitability levels."

Those who neglect spreadsheets in favor of menus will end up like many failed restaurateurs, watching their investments turn sour. The restaurant business is notoriously competitive, and eateries listed on the stock market come and go just like restaurants do.

"Restaurants are an area for stock-pickers," Mr. Elliott said. "They don't trade as a group."

Right now, he likes Landry's Seafood Restaurants Inc., which he describes as a smaller, growth-oriented investment. In 1983, the Houston-based chain was among the first of many U.S. restaurant companies to go public. Meals in its 100 restaurants average $15 per person.

Mr. Elliott expects the stock, which he says has done well since its public offering, to return to its highs in the mid-$30 range compared to the current level of about $28.

Following his own advice, he declined to comment on the quality of the chain's kitchen — which prides itself on using fresh, not frozen, seafood — and noted instead that each new Landry's restaurant costs just under $2 million to open and generates cash flow of $600,000 to $700,000 annually. So-called cash-to-cash ratios, which compare cash invested to annual cash flow, are frequently used by analysts to estimate a restaurant's profitability. Assuming full ownership, 30 percent is considered a good ratio.

One of the more publicized food trends in recent years has been the return of the steak — and, for those who can afford it, the $50 steak dinner with all the trimmings. One beneficiary is the Morton's of Chicago steak-house chain, which now has 40 restaurants in the United States and has been expanding at the rate of about eight restaurants a year. Its first overseas restaurant will open in the Oriental Hotel in Singapore in 1998.

Morton's, which generates 80 percent of the revenues of its parent, Morton's Restaurant Group Inc. of New Jersey, faces competition from two other high-end chains: the privately held Ruth's Chris Steak House Inc. and the Capital Grille, which is owned by Rare Hospitality Inc. of Atlanta.

Andrew Barish, a restaurant analyst with BancAmerica Robertson Stephens, said he believed there was room for all of them in the market and is currently recommending Morton's.

"The company is very well run, with strong same store sales gains," he said, adding that it proved it could weather a recession in the early 1990s.

For the third year in a row, beef consumption is up in the United States, a reversal of the trend away from red meat which began in the 1960s. Even if the steak falls from the pinnacle of food fashion, Mr. Barish said there would always be a market for beef eaters with expensive tastes. And, from a business point of view, steak is one of the few upscale foods that can be successfully sold in a restaurant chain: The steak houses keep quality high with their limited menus and, unlike other higher-

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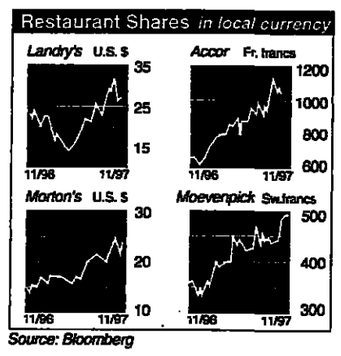

Source: Bloomberg

In a Market Rout, Fund Managers Decide Which Price Is Right for Investors

By Conrad de Aenlle

OF ALL THE homages to the wisdom and steadfastness of small investors who hung tough last month while Wall Street professionals were panicking, none were more heartfelt than those from the mutual-fund managers to whom so many Americans entrust their money.

The limited demand to sell fund shares on Oct. 27, when steep losses forced an early end to trading on U.S. markets, meant that fund managers largely were able to avoid selling stocks from their portfolios the next morning.

Should another decline of the same magnitude occur and fund owners decide to join the rout, some analysts warn, losses for the ones who sell, and even for the ones who don't, could be far worse than anticipated.

And even though Merrill Lynch & Co., Fidelity Investments Inc. and other investment managers offered to cover any client losses incurred that fateful Monday because of trading glitches, there is never any guarantee that management companies will keep their promise to buy back shares any day during market hours at their value at the close of trading.

Breaking that promise could harm investors in two ways: If they are forced to wait another day for their sell orders to be processed in a free-falling market, they could receive far less for their shares. Perhaps worse, confidence in the $3.7 trillion fund industry, one of the main drivers of the 1990s bull market, could be seriously undermined, exacerbating a decline.

On Oct. 27, the day the Dow fell 554 points, the tripping of the circuit breaker half an hour before the normal closing time had a mixed impact on funds. More investors might have sold, but when the market closed, funds were obliged by regulators to stop processing transactions for the day. Yet the anticipation of redemption orders may have compelled managers to dump shares before the circuit breaker triggered and shut them out.

Managers faced extra pressure because they knew that with the market in free fall, sales of stocks made the next morning to cover redemptions would likely be at much lower prices, with the additional losses borne by shareholders who remained in their funds, not the ones who cashed out.

Funds typically use the closing prices of the securities in their portfolios to determine the daily net-asset value — the price of a fund's shares — although they have some leeway to improvise in unusual market conditions. Many availed themselves of that loophole last month.

"A fund company has to have a policy in place that protects shareholders," said Eric Kobren, president of Insight Management, a financial consultancy and investment advisory service. That is what happened on Oct. 27, he said: Fund companies "instituted some fair-value pricing, where valuations are estimated away from the last trade."

Executives at several large management companies confirmed that alternative pricing methods were used, especially on funds investing in foreign markets, where prices did not yet reflect the drop on Wall Street. But they played down the significance of the decline and the early closing and said they thought it unlikely that they would need to modify their redemption policy.

"We do not feel we would have had to suspend redemption activity and do not foresee having to do that in the future," said Steve Norwitz, a spokesman for T. Rowe Price funds. "Even in 1987, redemptions did not amount to the level of cash reserves held by the funds. It could be affected by pricing of relatively illiquid securities, or delays in international settlement procedures, but generally we don't see it as a problem."

Circuit breakers exist in several other markets and were activated during the last week of October from Tokyo to Sao Paulo. They present less difficulty for fund providers outside the United States because fund ownership is not as pervasive, daily reporting of fund prices is not universal and pricing procedures are more flexible.

"We value a stock not always at its closing price but at a price we think is realistic based on circumstances," said Dean Buckley, chief investment officer in Europe for HSBC Asset Management.

"We talk to the marketplace and get a best guess on what a stock is worth," he added. "If circuit breakers come in and trading is suspended, it is only suspended on the order book. You can always get an indication price."

There are few qualms at funds outside the United States about postponing the processing of redemption orders in unsteady markets.

"If you have reason to believe you can't give a valid price, by that stage you're moving on to forward pricing," said Daniel Godfrey, a spokesman for the British fund manager Robert Fleming. "You get the next price calculated, not the historic price. We can suspend pricing for a day until we get accurate information, but we've never had to do it."

Flemings went to forward pricing on all its funds during the two days after the Dow's spectacular drop. Investors who called to buy or sell on one day got a fund's price at the close of business the next day.

Advertisement

INTERNATIONAL FUNDS

November 14, 1997

available on Internet: http://www.iht.com/IHT/FUN/funds.html

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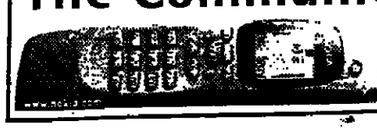

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a - asked - - Offer Prices, N.A. - Not Available; N.C. - Not Communicated; o- New; s - suspended; SS - stock Split - t - Ex-Dividend; * - Ex-Rts; - ◊ Offer Price incl. 3% prelim. charge; - Para exchange; ** - Amsterdam exchange; ◊ - suspected earlier; e-mail registered with regulatory authority P- Middle of bid and offered price E estimated price; Y- price calculated 3 days prior to publication, Z- bid price.

The marginal symbols indicate frequency of quotations supplied. (d) - daily, (w) - weekly (bi-m)-monthly; (l) - fortnightly, (r) - regularly; (s) - semi weekly; (m) - monthly

The data on the list above is the nav supplied by the fund groups to Micropal SA. It is collated and reformated into the list before being transmited to the IHT. Micropal and the IHT do not warrant the quality or accuracy of the list, the data of the performance of index of the Fund Groups ,but will not be liabl- to the list, the data of Fund Group to any extent. The list is not and shall not be deemed to be an offer by the IHT or Micropal to sell securities or investments of any kind. Investments can fall as well as rise. Past performance does not guarantee future success. It is advisable to seek advice from a qualified adviser before investing.

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THE MONEY REPORT

Q&A: / Yves Cochez, BBL Invest Food & Beverages Fund

Something That's Solid Even in Bearish Times

BBL INVEST Food & Beverages is one of the few retail funds targeting the food and drink industry worldwide. Yves Cochez, who manages the fund, a Luxembourg-based Sicav run by Banque Bruxelles Lambert of Belgium, discussed the industry's prospects with Conrad de Aenlle.

Q. Some market strategists have said it is time to switch out of consumer-growth stocks and into cyclicals. Are food and drink stocks yesterday's investments?

A. Certainly not. First of all, food and beverage companies have underperformed their local markets for the past five years. With the Asian currency crisis and questions surrounding the implementation of the single European currency, and the tight fiscal and monetary policies tied to this, it is unclear whether growth is going to pick up significantly (which would be relatively beneficial to cyclical industries.)

The sector has plenty of other things to offer investors: high growth potential in emerging markets, restructuring, refocusing, predictable earnings, cash-flow generation, share buybacks, a better pricing environment.

Furthermore, an industry like soft drinks can be perceived as partly cyclical, as it has been shown that consumption is really dependent on per-capita gross domestic product growth.

Q. How can you spot companies that will outperform others in their sectors?

A. These industries are highly capital-intensive, so volume growth is very important. Consumer-goods industries are also about marketing mix: pricing, promotion, placement, product. The difference in the consumer's eyes is not the content but the process: marketing and selling. Success is not about size, but about spending money efficiently.

Q. Companies in these industries are supposed to make good defensive stocks. If world markets are entering a bear phase, taking economies with them, will these stocks hold up better than most?

A. Yes, for several reasons: relatively predictable and stable earnings growth; solid, free cash flow; favorable commodity trends; strong share repurchases, at least in the U.S.; restructuring savings.

Q. What are some of your favorite stocks now and why do you like them?

A. **Nestle SA** has superior fundamentals but lower valuation, compared to its international peers. Restructuring costs have been taken and have helped margins; only the beginning of these measures is reflected in the stock price.

Unilever is further down the road to restructuring its portfolio according to the principles of value management. [After divesting] its specialty-chemical business, Unilever has £2.8 billion net cash ($4.76 billion), allowing large acquisitions together with sustained investment in emerging markets. Unilever is one of the European businesses which has built a sustainable competitive advantage and looks capable of higher returns.

Campbell Soup intends to spin off several businesses with revenues of $1.4 billion. The remaining parts should have a higher growth rate in the future. Impressive financial ratios should bolster multiples. Campbell also has set a goal of 25 percent of sales coming from products introduced in the last three years.

Mr. Cochez: "Success is not size, but spending money efficiently."

Sara Lee is changing its business model by disposing of manufacturing assets and focusing on developing and marketing brands. It announced that asset sales would generate $4 billion in three years. Return on capital is expected to increase from 16 percent to over 20 percent due to restructuring.

Q. How do you know when it's time to sell?

A. If earnings momentum is positive, we tend to stick with a stock. Certainly, specific elements can dampen a stock performance, like Asia and the **Grand Metropolitan PLC-Guinness PLC** merger in the case of **LVMH Moet Hennessey Louis Vuitton**, which we sold recently.

Q. There have been notorious examples of stocks, especially of restaurant operators, trading at extreme valuations, then plunging. Why are these businesses so hard to gauge?

A. For such high-growth stories, earnings are difficult to predict. The problem is that restaurants seem to mature faster and hit a wall more quickly. Problems are also more difficult to fix, as the concept might be in question.

Q. The best minds at Grand Met and Guinness, which are about to merge, could concoct no better name for the new entity than **Diageo PLC**. Will better things come out of merging these two food and drink powerhouses?

A. There are several rationales for the merger and we believe this move makes a lot of sense: a complementary and broad product and brand range, greater geographic breadth, enhanced marketing capability, greater cost efficiency and financial capacity to develop the businesses.

Q. Do you own either of the stocks and will you own Diageo?

A. I own both of them and I intend to be invested in the new company.

Q. Does the merger herald other combinations in the industry and is there an expectation of them priced into shares?

A. Further consolidation seems very likely on a one- to two-year view, even if it is clearly difficult to predict. In our view, **Allied Domecq PLC**'s current share price does not factor in any significant benefit from its possible participation in spirits-industry consolidation. In Allied Domecq's case, the best fit is probably with **Seagram Co.**, but closer ties to **Remy Cointreau** should have some attractions in terms of brands, scale, cost savings and geographic complementarity.

In the Distance, a Haze Hangs Over Tobacco Stocks

Continued from Page 19

probably not a sensible option," he said. "A lot can happen in this time frame and the outlook for tobacco stocks over the longer term is not particularly favorable. Even sales opportunities in the emerging markets will dry up sooner or later."

He added, "If investors were to take a five-year view, however, they would be buying fairly reasonable businesses."

The future of U.S. tobacco stocks is largely dependent on whether members of Congress decide to adopt a $368.5 billion national tobacco agreement that would end most of the litigation against the industry in exchange for new cigarette regulations. If the settlement is accepted, lawsuits pending in 38 states will be dismissed and the states will share the settlement fund.

Under a Cloud

Price/earnings ratio for tobacco stocks vs. market P/E

	P/E	Market P/E
Japan Tobacco	24.39	63.49
Imperial Tobacco	7.5	17.92
Gallaher Group	9.1	17.92
BAT Industries	11.01	17.92
Philip Morris	15.45	19.34
R. J. Reynolds*	14.81	19.34

Source: Bloomberg *Nabisco IHT

Roy Burry, a tobacco analyst at Oppenheimer & Co. in New York, said he thought the settlement would be adopted, but that a rejection would not necessarily spell disaster for U.S. tobacco stocks.

"If the settlement is passed into law, U.S. tobacco-company earnings will fall because the industry will have to fund the settlement by putting up prices and this will invariably impact on consumer demand," he said. "However, the new law will eliminate a major negative and stock valuations will almost certainly go up."

"If the settlement is not adopted," he added, "each lawsuit will be tried in the time-honored fashion and tobacco stocks will continue to perform erratically. The matter will eventually be resolved in the tobacco industry's favor and stock valuations will gradually start to improve over time."

Many analysts have been recommending U.S. tobacco stocks on the assumption that the settlement will be adopted. David Adleman, a tobacco analyst with Morgan Stanley in New York, said he liked Philip Morris Cos., maker of Marlboro cigarettes, because it was the biggest and fastest-growing U.S. tobacco company. He said R. J. Reynolds Tobacco Co. also represented good value and was being sold on the strength of a future spin-off from its parent company, Nabisco Holdings Corp.

But Mr. Day said he doubted that adoption of the tobacco settlement would eliminate the risk of future claims against U.S. tobacco companies.

"Lawyers are incredibly inventive," he said. "Many are already exploring imaginative ways of getting around the terms of the settlement."

Hearty Deals in Australian Red Wine

Continued from Page 19

Langton's holds 16 auctions a year, about once every three weeks. They generally alternate between Sydney and Melbourne, but are also held elsewhere.

On Nov. 22 at the Cape Mentelle winery, in Margaret River in Western Australia, Langton's, in association with Christie's, will hold an auction of wine from the southwestern parts of the state to mark the 30th anniversary of fine-wine-making there. More than 4,000 bottles, as well as 15 imperials and 97 magnums, exclusively from private stocks, will be offered for sale.

"This auction illustrates the extraordinary inroads that 10 relatively small wineries have made in the past 30 years on the national and international wine market," Mr. Caillard said.

Buyers pay a premium of 10 percent of the sale price and sellers pay a premium based on the wine's value but averaging from 15 percent to 22 percent.

The wine must be in immaculate condition to achieve its full price potential at auction. A torn, partially eroded or missing label, for example, can rob the wine of up to 40 percent of its value.

A reputation for consistent quality seems to be the key to choosing a wine that will appreciate in value.

"If you're investing, you have to buy wine with a track record," said Stephen Lumb, an auctioneer in Adelaide. "You have to go with wines that have a strong brand name and a consistent record at auction. People should buy on name, vintage and grape variety."

Langton's recently published the second edition of its Classification of Distinguished Australian Wine. The list ranks the best-performing Australian wines on the auction market and is not, as some experts caution, a definitive guide to quality wine in Australia.

For further information:

REFERENCE BOOKS: The following books list leading wine-makers and rate their wines and vintages:

- Australia & New Zealand Wine Companion, 1998 Edition, by James Halliday.
- 1998 Australian Wine Annual, by Jeremy Oliver.
- Langton's Guide to Australian Wine Investment, to be published Nov. 22.

THE AUSTRALIAN WINE CENTRE LTD., 21a Southlea Road, Datchet, Berkshire, SL3 9BY, Britain, offers mail order in Britain of a wide range of Australian wine. Tel: 44 1753 544546. Fax: 44 1753 591369. E-mail: sales@auswine.demon.co.uk. Web site: www.australian-wine.co.uk.

RECENT RELEASES OF PENFOLDS, WYNNS, LINDEMANS AND COLDSTREAM HILLS can be bought through the Australian company that owns them, Southcorp Wines Pty. The company's North American office is at 60 Garden Court, Suite 220, Monterey, California 93940, U.S.A. Tel: 1 408 655 4848. Fax: 1 408 655 0904. The European office is at 12 Kew St., Richmond, Surrey TW9 1ND, Britain. Tel: 44 181 334 2000. Fax: 44 181 332 0837. The Asian office is at 1 Goldhill Plaza #02-31, Goldhill Plaza Podium Block, Singapore 308899. Tel: 65 256 1132. Fax: 65 256 3968.

RECENT RELEASES OF HENSCHKE can be bought through the following dealers:

- Britain: Lay and Wheeler Ltd., 117 Gosbecks Road, Gosbecks Park, Colchester, Essex CO2 9JT. Tel: 44 1206 764446. Fax: 44 1206 560002.
- United States: Negociants USA, 1862 El Centro Avenue, Napa, California 94558. Tel: 1 707 259 0993. Fax: 1 707 259 1510.
- Hong Kong: Olivier Hong Kong Ltd., Food & Wine Division, Unit 1007A, Block B, Sea View Estate, 2-8 Watson Road, North Point. Tel: 852 2578 3221. Fax: 852 2566 2004.

RECENT RELEASES FROM SMALLER VINEYARDS can be purchased:

- directly from the addresses and contact numbers listed in the Halliday and Oliver books.
- through the Association of Australian Boutique Wine-makers Inc., 24 Buckingham Street, Surrey Hills, NSW 2010, Australia. Tel: 61 2 9319 7866. Fax: 61 2 9319 7877. E-mail: boutiques@magna.com.au. Web site: http://www.boutique-wines.com.au.

Growth Abroad for Fast-Food Kings

Continued from Page 19

anese-style fast food and is faring better in the country's weak economy.

Still, the fast-food world abounds with tales of entrepreneurs who come seemingly out of nowhere to build an empire. The hottest stock on the Madrid Stock Exchange this year was TelePizza SA, a venture of two young Spaniards that has more than tripled from its initial public offering price of 2,300 pesetas ($16) a year ago to 10,550 pesetas on Friday.

The spectacular run-up has not discouraged Maria Castroviejo of Paribas Capital Markets in London, who is sticking with her "buy" rating.

"They have delivered better than promised earnings and sustained growth," she said, noting that operating profits soared 48.8 percent in the first nine months of this year. TelePizza had the "right idea at the right time," she said, just as fast food is catching on in Spain, but focusing on home delivery. "That sits well with social and cultural tradition, where families have a meal together at home," she said.

Even in the overcrowded U.S. market, pizza can still be a hot concept. Topping several analysts' buy lists, is Papa John's International, which has found a niche among pizza fanatics with gourmet tastes by using premium quality mozzarella cheese and tomato sauce. Its third-quarter earnings were up 39 percent over a year ago.

A newly public U.S. fast-food company, Tricon Global Restaurants Inc., a spin-off from PepsiCo that owns Pizza Hut, Taco Bell and KFC, as Kentucky Fried Chicken is known, is going global. KFC will add 150 restaurants to its 191 in China by the year 2000. David Trossman, an analyst with BT Alex. Brown & Co., expects its U.S. restaurants to grow by only 1 percent annually, compared with 8 to 10 percent overseas.

Proof of the Pudding? It's in the Books

Continued from Page 19

priced restaurants, they need not rely on a temperamental chef.

Finding a non-fast-food restaurant stock is more difficult in Europe. The Swiss company Moevenpick, which derives more than 50 percent of its revenue from restaurants and the rest from hotels and gourmet ice cream and coffee, is one possibility. But many analysts are bearish about the stock, which is controlled by one shareholder and suffers from a lack of liquidity.

Robin Seydoux, a Credit Suisse First Boston analyst, predicts a major restructuring for Moevenpick soon. He does not believe its major shareholder will continue to let it languish and even if he decided to sell, Mr. Seydoux said that he would likely "first try to maximize the return on his investment."

Another European company involved in restaurants, hotels and gourmet food is Accor SA of France, which owns the Lenotre pastry brand, among other things. While food and restaurants account for a far smaller share of revenues than at Moevenpick, the company is also a much stronger performer.

Nick Bevan, an analyst with Deutsche Morgan Grenfell in London, says Accor's strong stock market performance of the last six months had been helped by the drop in value of the French franc.

For further information, consult the following Web sites:

- http://houston-interweb.com/landrye/
- http://www.morions.com
- http://www.moevenpick.com
- http://www.accor.com

BRIEFCASE

American Express Offers Array of Funds in Canada

American Express Co. has joined with Affinity Group Inc. of Canada to begin offering its Canadian cardholders the opportunity to buy more than 400 leading mutual funds.

American Express, through its wholly owned American Express Financial Services unit, will offer cardholders in Ontario the opportunity to buy mutual funds such as AGF Management Ltd., Altamira Investment Services Inc., Fidelity Investments, Spectrum United Mutual Funds Inc., AIC Ltd. and Trimark Investment Management Inc. If the Ontario program succeeds, it will be extended to Canada's other provinces.

American Express is the latest non-Canadian financial-services firm to expand in Canada as the sector opens up to competition from abroad. This month, ING Group's Canadian unit acquired Associated Financial Planners Ltd., a fund management company in Waterloo, Ontario. ING entered the North American banking market in April by launching ING Direct in Canada.

"American Express is a limited offering right now and it's designed to see if there's consumer interest, which our market research shows exists," said David Barnes, an American Express spokesman.

The new program is the New York-based financial and travel services giant's first major expansion in Canada. In the United States, American Express Financial Advisors, which sells mutual funds and life insurance, manages assets of $172 billion, making it one of the top 10 U.S. money managers. *(Bloomberg)*

In U.S., Equity Funds Are the Main Attraction

U.S. mutual fund investors added an estimated net $1.32 billion to equities funds in the one-week period ended Monday, according to an industry report.

That is less than half what went into equity funds the previous week, when an estimated $3.57 billion was invested in stock funds, according to Trim Tabs Financial Services Inc. of Santa Rosa, California, which tracks mutual fund money flows.

Investors withdrew cash from international stock funds for a fifth straight week. A net $1.56 billion was pulled from international stock funds in the week ended Monday, Trim Tabs said.

By contrast, an estimated $1.89 billion was invested in conservatively managed "growth and income" equity funds and about $125 million was pulled from "aggressive growth" stock funds, Trim Tabs reported.

Junk-bond funds attracted a net $860 million in the latest week, Trim Tabs reported. Government-bond funds had outflows totaling almost $45 million in the latest week and about $420 million was removed from municipal-bond funds in the latest week, according to Trim Tabs. *(Bloomberg)*

You've Read the Article, Now Read the Books

In his Nov. 8-9 column, entitled "Investing by the Book," James Glassman warmly recommended seven of his favorite books on the stock market and investment theory. This prompted an alert reader in Rome to write and ask, in effect, "If these books are so great, how about providing publication information so that those of us based outside the Anglophone world can get them?"

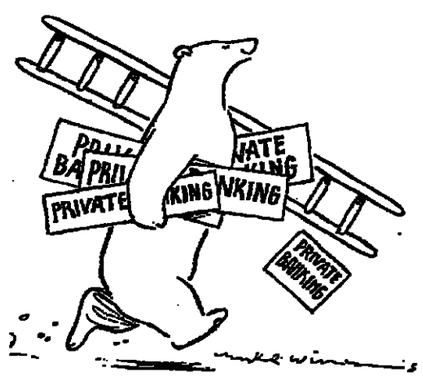
Good question. Here is the answer:

- "The Intelligent Investor: A Book of Practical Counsel," by Benjamin Graham. Hardcover, 340 pages. HarperCollins, 1997.
- "A Random Walk Down Wall Street," by Burton G. Malkiel. Paperback. W. W. Norton, 1996.
- "One Up on Wall Street," by Peter Lynch and John Rothchild. Paperback, 318 pages. Penguin USA, 1990.
- "Beating the Street," by Peter Lynch and John Rothchild. Paperback, 332 pages. Fireside, 1994.
- "Learn to Earn: A Beginner's Guide to the Basics of Investing," by Peter Lynch and John Rothchild. Hardcover, 272 pages. John Wiley & Sons, 1997. Also published in paperback by Fireside, 1996.
- "Common Stocks and Uncommon Profits," by Philip A. Fisher. Paperback, John Wiley & Sons, 1996.
- "The Only Investment Guide You'll Ever Need," by Andrew Tobias. Revised and updated edition. Paperback. Harcourt Brace, 1996. *(IHT)*

Correction

The Nov. 8-9 edition of the Money Report inaccurately reported the performance of the Neuberger & Berman Partners Fund, which declined 3.88 percent between Sept. 19 and Oct. 21. The fund traded Oct. 31 at an average price of $31.74. We apologize for any inconvenience.

E-mail address: moneyrep@iht.com



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Herald Tribune
SPORTS

WORLD ROUNDUP

Back to Wednesday

SOCCER Six years after he angered fans by walking out on the club to move to Aston Villa, Ron Atkinson returned Friday as manager of Sheffield Wednesday.

Atkinson replaces David Pleat, who was dismissed by the struggling English Premier League club last week. Atkinson, 58, had a successful first spell at Hillsborough, guiding Wednesday to promotion to the Premier League and a League Cup final victory over United in 1991.

But he riled the Wednesday fans when he quit the club to join Villa later that year only days after saying he was staying with the Sheffield club. Atkinson was fired by Villa after three years and moved to Coventry, where he was in charge for a season before becoming the club's director of football. He left that role during the summer. *(AP)*

No New Home for Twins

BASEBALL Minnesota Twins officials are wondering if anything can be salvaged from a stunning defeat of proposed ballpark financing in the Minnesota House.

Meetings with Govenor Arne Carlson and key lawmakers were next on the team's agenda. But the Twins' president, Jerry Bell, was not optimistic after the 84-to-47 rejection. "It certainly appears to be over," he said.

The plan the House rejected would have financed the stadium through what supporters called user fees — a 4 percent surcharge on player salaries over $150,000, imposed parking fees, an admissions tax and a sales tax at the stadium.

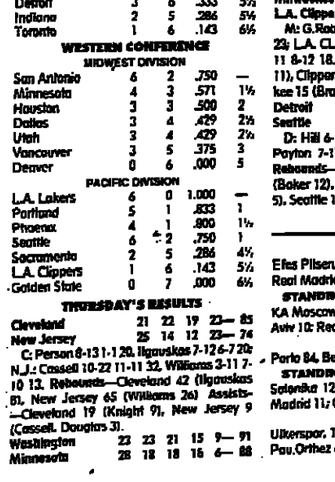
Representative Loren Jennings suggested a domino effect for major league sports in the state, saying: "You saw professional baseball die in Minnesota. You will see professional hockey fall, you'll see professional football fall." *(AP)*

A Big Day for Rugby

RUGBY It is almost as if the World Cup has come two years early. Rugby union's southern powerhouses — New Zealand, South Africa and Australia — are in Five Nations territory Saturday to meet Ireland, France and England in test matches. On Sunday, Wales is host to Tonga.

But one of the biggest names in the game will be watching instead of playing. After 91 tests in 11 years, the All Black hooker Sean Fitzpatrick has been ruled out by injury.

Such is the strength of the All Blacks that there's also no spot for Jonah Lomu, the sensation of the 1995 World Cup. But Coach John Hart hinted that Lomu's return to the first team as he continues his recovery from a kidney ailment could be sooner than predicted. "It might well happen on this tour," he said. *(AP)*



AP

All Blacks' Tana Umaga, left, and Jonah Lomu in Dublin.

'Nice Guy' Sampras Clobbers Rafter

Henman Breezes In to Beat Kafelnikov and Then Breezes Out

By Ian Thomsen
International Herald Tribune

HANNOVER, Germany — Pete Sampras seems like a nice enough guy, as does Michael Jordan. But at times their hearts are hollow and boiling like Lucifer's caves. That's a fact, and you wouldn't hear quite so much about them otherwise.

Sampras affirmed that quality in the ATP Tour World Championship, the season-ending $3.3 million event limited to the world's top eight players. Sampras is the defending champion seeking to win it for the fourth time.

He is assured of finishing No. 1 for the fifth year in a row, and the routines must bore him at times.

After starting badly this week, he had to win his final round-robin match against No. 3 Patrick Rafter to advance to the semifinals.

Sampras also knew that Rafter, unable to beat him in their last seven meetings, needed to finagle only a set to go with him into the next round.

Well, Sampras beat the poor Aussie, 6-4, 6-1, in exactly an hour. Sampras won all 22 of the points decided on his first serve.

Afterward it was all he could do to not break out laughing, he was so happy.

Jordan and the other great competitors are the same way. Here was Sampras, cornered by the U.S. Open champion who didn't necessarily even want to beat Sampras — just wound him slightly — and Sampras clobbered him.

These are the victories that make a predator's life worth living.

"He just loves to play me, I think. He just loves my style of game," Rafter said after his ticket to the semifinals had been yanked out of his hand. He had begun 10 months ago ranked No. 62 in the world, so he was trying to take pride in the year.

Sometimes, however, the ladder rising from No. 62 to No. 3 must seem

TENNIS

shorter than the final two rungs waiting above him.

Sampras, with his 10 Grand Slam titles, seems so much the senior player, but at 26 he is just 16 months older than Rafter.

Does Rafter possibly show him too much respect?

"Too much? Maybe. How could you not have a lot of respect for a guy like that, though," Rafter said.

After the match, Sampras said: "When the pressure is on sometimes, you're a little bit more eager, a little bit more motivated. This is where I'm at. I had to win these last two matches and I did, so I'm still around."

In the semifinals, No. 7 Carlos Moya of Spain — who upset Sampras on the opening day of round-robin play — will face No. 6 Yevgeni Kafelnikov, the Russian who said he was playing his best tennis of the year Thursday in obliterating Michael Chang in just 15 games.

The other semifinal will involve Jonas Bjorkman of Sweden, who is turning this week into a scouting mission. On Saturday, Bjorkman will meet Sampras. He earned that right with his 6-4, 7-5 victory over Chang.

In a couple of weeks the three of them will do it all over again in Gothenburg when the Swedes play host to the United States in the Davis Cup final.

On Friday evening, Kafelnikov finished his round-robin schedule with a slightly eccentric 6-4, 6-4 loss to No. 17 Tim Henman, a last-minute replacement for Sergi Bruguera of Spain. Bruguera withdrew from the championships earlier in the day because of a lower-back injury.

Henman just so happened to be in the middle of his own national championships, in Telford, England.

He won that match early Friday afternoon, caught a private plane from Birmingham to meet the Russian and kept the plane waiting to bring him back home for the British semifinals Saturday.

The lure for Henman was $100,000 if he beat Kafelnikov plus 80 points toward his world ranking. But it meant that within a few hours he was playing a world and a national championship on different surfaces in different countries.

In the meantime Felix Mantilla of Spain, ranked one place higher than Henman, was complaining that he should have been the one flying in a private plane to Hannover.

Officials of the Tour claimed they offered the match to Mantilla but never heard back.

The world spins faster and faster. And — all together now — it's all because of television.

Peter Morrison/Reuters

Sampras taking control Friday to set up a semifinal with Jonas Bjorkman.

Lara Brame/The Associated Press

Italy's Fabrizio Ravanelli kicking the ball around with teammates on Friday.

A Woolly Weekend for Cup Hopefuls

By Peter Berlin
International Herald Tribune

PARIS — Nerves that have been stretched to the breaking point over 20 months and across four continents will be given one last, cruel ing this weekend.

During two days of agonizing tension for soccer players, coaches and fans, seven national teams that keep their nerve will book themselves places in the World Cup finals in France next summer.

"I am taking tranquilizers," said Miroslav Blazevic, Croatia's veteran manager. "I'm eating very little. What keeps me going is chocolate."

And Blazevic's team is one of the best placed this weekend. It starts the second leg of its playoff against Ukraine in Kiev on Saturday, leading, 2-0. In the three other playoffs for teams that finished second in European qualifying groups, Hungary goes to Yugoslavia trailing, 7-1; Italy entertains Russia in Naples, and Belgium is host to Ireland in Brussels. Both of those playoffs are locked at 1-1.

Japan and Iran, the runners up in Asia's two qualifying groups, meet in a one-match playoff in Johor Bahru, Malaysia. In the final-round of matches in South America's qualifying group, Chile, Ecuador and Peru are vying to

WORLD CUP SOCCER

secure the fourth and last qualifying place. In the northern half of the continent, Jamaica needs to draw at home against Mexico to edge out El Salvador, which plays the United States in Foxboro, Massachusetts.

Japan and Iran have both fired coaches already this fall. Iran seemed to have first place in its group locked up, but then went winless in its last three games to allow Saudi Arabia to take first place. During that collapse, Coach Mohammed Mayeli Kohan was fired. Valdir Vieri, a Brazilian, took over, becoming the first foreign head coach of the Iranian team since 1979.

After Japan staggered through its early group matches, Coach Shu Kamo was replaced by his assistant, Takeshi Okada. Japan then gained an unlikely victory over the group's winner, South Korea, in Seoul, and thrashed Kazahkstan, 5-1, to finish second in the group.

But both coaches know that defeat on Sunday will not mean elimination from the World Cup. The loser will have one last chance in a two-match playoff against Australia, the winner of the Oceania zone.

El Salvador needs to win in the United States on Sunday and hope that Jamaica loses to Mexico. Rene Simoes, Jamaica's Brazilian coach, knows the stakes: "I've already packed my bags. If we don't qualify I'll have to get out."

South America's qualifying process has demonstrated once again that familiarity breeds contempt, not to mention feuds and fights. All ten entrants were lumped together in one group to fight for four places. That meant 18 matches for each country, interrupted by a fiery edition of the Copa America, the regional international tournament.

Argentina, Paraguay and Colombia have already qualified. Chile lies fourth in the group, ahead of Peru on goal difference and of Ecuador by a point. Chile entertains Bolivia. Ecuador visits Uruguay, while Peru is host to Paraguay. Chile was banned from the 1994 World Cup after an incident in a qualifying match in Rio for the 1990 finals. Chile was losing when a flare landed near its goalkeeper, Roberto Rojas, who promptly faked a head injury and forced the match to be abandoned. Chileans felt cheated, and 72,000 of them will be crammed into the stadium in Santiago on Sunday. Expect more fireworks if things go wrong.

Italy has sought to give itself every advantage against Russia by playing in Naples, in front of its most passionate fans. The two teams drew, 1-1, in the snow in Moscow 10 days ago. Italy may feel the atmosphere beside the Mediterranean turn suddenly chilly if things go wrong on Sunday.

The result in Russia presents Italy's coach, Cesare Maldini, with a dilemma. If the aggregate scores are level, the team that has scored the most away goals will win. A draw will put Italy through, but only a 0-0 draw. If the teams finish 1-1 again, they will play sudden-death overtime and, if neither scores, move to a penalty shoot-out.

Maldini replaced Arrigo Sacchi in the summer of 1996 because the players and fans had grown sick of Sacchi's non-Italian pressing style of play, his tactical adjustments and player switches. Papa Maldini handed his players the security blanket of the cautious, defensive approach they had learned as children.

Italy was unbeaten in its qualifying group, but played three 0-0 matches, which allowed England to pinch first place. If Maldini selects a team designed to gain another 0-0 draw, he might have no answer if the talented but unpredictable Russians score. The Italians would then need to score once to force a penalty shoot-out and twice to win outright.

Georges Leekens, Belgium's coach, refuses to contemplate a 0-0 draw against Ireland in Brussels. "Any calculations about a goalless draw are out of place," he said. "We're going for two goals."

Hurricanes Finally Stirring Up Some Wind

The Associated Press

The Carolina Hurricanes are finally starting to live up to their nickname.

After a 1-7-2 start, their 4-2 victory Thursday night at Calgary gave the Hurricanes their third straight triumph and a 7-2-1 record in their last 10 games.

"The primary reason is chemistry — we've got some good line combinations going now," said Keith Primeau, who scored two goals.

Primeau's second goal, at 8:33 of the third period, was the game winner. It was Carolina's second power-play goal of the night, and it came with Sandy McCarthy sitting in the penalty box — for slashing Primeau.

Carolina got spectacular goaltending from Sean Burke, who turned in his second consecutive start — and victory — since returning from a layoff after being charged with assaulting his wife. He finished with 30 saves.

Red Wings 4, Senators 2 Steve Yzerman had two goals and an assist to lead Detroit to victory in Ottawa. Yzerman opened the scoring, assisted on his club's second goal and scored into an empty net for the defending Stanley Cup champions.

Avalanche 2, Flyers 1 Patrick Roy made 30 saves and Uwe Krupp scored the winning goal in the second period as Colorado won at Philadelphia in a battle

NHL ROUNDUP

between two division leaders. Krupp's shot through a screen was set up by Mike Ricci midway through the second period. Roy blanked the Flyers on four power plays and made a glove save on a shot by Eric Lindros late in the second period. It was the third straight victory for the Avalanche.

Capitals 3, Sabres 2 Goaltender Olaf Kolzig continued his stellar season, stopping 23 shots as Washington won at Buffalo. Peter Bondra's goal with 15:32 to play was the game-winner.

Maple Leafs 2, Blackhawks 1 Igor Korolev and Mats Sundin scored first-period goals as Toronto won at Chicago. Jeff Shantz scored for the Blackhawks, who dropped their second decision in three nights to the Maple Leafs. After a five-game winning streak, the Blackhawks are 0-2-1 in their last three.

Blues 4, Bruins 2 Brett Hull scored his 10th goal and added two assists to lead St. Louis over Boston. Hull has two goals and five assists in his last two games after failing to record a goal or an assist in the previous six.

Canadiens 5, Coyotes 2 Brian Savage had two goals and an assist while Jocelyn Thibault made 35 saves as Montreal beat Phoenix for its seventh consecutive victory. It was also the fifth straight road triumph for the Canadiens — the first time they have accomplished that since 1989 — as they improved their league-best road record to 8-1.

Kings 6, Sharks 3 Yanic Perreault scored twice, and a defenseman, Garry Galley, snapped a 17-game drought with his 100th career goal as Los Angeles beat visiting San Jose.

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	Pct	GB
Miami	5	2	.714	—
New Jersey	4	2	.667	½
New York	5	3	.625	½
Washington	4	4	.500	1½
Orlando	3	4	.429	2
Boston	2	5	.286	3
Philadelphia	2	5	.286	3

CENTRAL DIVISION

Atlanta	8	0	1.000	—
Milwaukee	5	2	.714	2½
Charlotte	4	2	.667	3
Cleveland	4	3	.571	3½
Chicago	4	4	.500	4
Detroit	3	6	.333	5½
Indiana	2	5	.286	5½
Toronto	1	6	.143	6½

WESTERN CONFERENCE

MIDWEST DIVISION

San Antonio	6	2	.750	—
Minnesota	4	3	.571	1½
Houston	3	3	.500	2
Dallas	3	4	.429	2½
Utah	3	4	.429	2½
Vancouver	3	5	.375	3
Denver	0	6	.000	5

PACIFIC DIVISION

L.A. Lakers	6	0	1.000	—
Portland	5	1	.833	1
Phoenix	4	1	.800	1½
Seattle	6	2	.750	1
Sacramento	2	5	.286	4½
L.A. Clippers	1	6	.143	5½
Golden State	0	7	.000	6½

THURSDAY'S RESULTS

Cleveland	21	22	19	23— 85
New Jersey	25	14	12	23— 74

C: Person 8-13 1-1 20, Ilgauskas 7-12 6-7 20; N.J.: Cassell 10-22 11-11 32, Williams 3-11 7-10 13. Rebounds—Cleveland 42 (Ilgauskas 8), New Jersey 65 (Williams 26) Assists—Cleveland 19 (Knight 9), New Jersey 9 (Cassell, Douglas 3).

Washington	22	23	21	15 — 91
Minnesota	28	18	18	16 — 88

W: Webber 9-21 4-6 22, Strickland 9-23 2-5 21; M: Marbury 10-20 5-8 26, Garnett 9-19 1-1 20, Rebounds—Washington 73 (Webber 17), Minnesota 57 (Garnett 20). Assists—W- 19 (Strickland 8), M- 19 (Marbury 10).

Philadelphia	27	17	25	30— 99
Dallas	24	24	23	27— 98

P: Iverson 12-18 5-10 31, Coleman 9-14 5-6 25; D: Bradley 9-16 2-2 20, Finley 7-18 2-4 18. Rebounds—Philadelphia 56 (Coleman 14), Dallas 43 (Bradley 13). Assists—Philadelphia 21 (Iverson 6), Dallas 25 (Reeves 8).

L.A. Lakers	28	23	20	25 — 196
San Antonio	24	26	28	18 — 100

L.A. : O'Neal 13-26 8-15 34, Jones 8-16 6-9 26; S.A.: Robinson 7-17 13-15 27, Duncan 9-17 1-2 19. Rebounds—Los Angeles 49 (O'Neal 15), San Antonio 48 (Robinson 14). Assists—Los Angeles 23 (Jones 7), San Antonio 26 (Robinson 6, Johnson 6).

Milwaukee	26	32	22	22—102
L.A. Clippers	22	18	31	42— 94

M: G.Robinson 14-27 3-4 32, Allen 7-13 9-9 23; L.A. CLIPPERS: 10-13 2-4 25, Rogers 5-11 8-12 18. Rebounds—Milwaukee 48 (Hill 11), Clippers 47 (Wright 9). Assists—Milwaukee 15 (Brandon 5), Clippers 16 (Martin 6).

Detroit	33	29	20	27— 89
Seattle	25	19	23	28— 95

D: Hill 6-17 8-9 20, Hunter 6-12 1-2 16; S: Payton 7-17 9-12 25, Baker 8-15 8-12 24. Rebounds—Detroit 48 (Hill 12), Seattle 52 (Baker 12). Assists—Detroit 21 (Hill, McGee 5), Seattle 17 (Payton 9).

Euroleague

GROUP A

Efes Pilsen, Turkey, 65, Limoges 64
Real Madrid 68, Maccabi Tel Aviv 76

STANDINGS: Olympiakos 13points; CSKA Moscow 11; Efes Pilsen 11; Maccabi Tel Aviv 10; Real Madrid 9; Limoges 9.

GROUP B

Porto 84, Benetton Treviso 91

STANDINGS: Benetton 13 points; PAOK Salonika 12; Turk Telecom 11; Estudiantes Madrid 11; Croatia Split 9; Porto 7.

GROUP C

Ulkerspor, Turkey, 74, Hapoel Jerusalem 56
Pau Orthez 65, Kinder Bologna 67

STANDINGS: Kinder Bologna 13 points; Barcelona 12; Partizan Belgrade 11; Ulkerspor 10; Pau Orthez 9; Hapoel Jerusalem 8.

GROUP D

Teamsystem Bologna 77, Cibona Zagreb 75
PSG Racing 55, Alba Berlin 53

STANDINGS: Teamsystem 12 points; AEK Athens 11; Alba Berlin 11; Olimpija Ljubljana 10; PSG Racing 10; Cibona 9.

ICE HOCKEY

NHL Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
Philadelphia	11	6	3	25	60	47
New Jersey	12	5	0	24	53	31
Washington	11	7	2	24	57	46
N.Y. Islanders	7	7	4	18	52	48
N.Y. Rangers	4	7	7	15	44	48
Florida	5	8	4	14	39	52
Tampa Bay	2	13	2	6	30	61

NORTHEAST DIVISION

	W	L	T	Pts	GF	GA
Montreal	13	4	2	28	65	41
Boston	10	7	2	22	48	44
Ottawa	9	8	3	21	57	50
Pittsburgh	8	8	4	20	53	56
Carolina	8	9	3	19	57	58
Buffalo	5	9	4	14	45	58

WESTERN CONFERENCE

CENTRAL DIVISION

	W	L	T	Pts	GF	GA
Detroit	13	4	3	29	68	44
St. Louis	13	5	2	28	64	43
Dallas	10	6	4	24	61	54
Phoenix	8	8	2	18	54	51
Chicago	7	12	1	15	37	52
Toronto	6	8	3	15	36	48

PACIFIC DIVISION

	W	L	T	Pts	GF	GA
Colorado	10	3	6	26	59	44
Los Angeles	9	7	4	22	71	55
Anaheim	8	7	4	20	51	52
Edmonton	5	10	4	14	44	65
San Jose	6	13	1	13	51	66
Calgary	3	13	4	10	51	69
Vancouver	4	12	2	10	46	70

THURSDAY'S RESULTS

Colorado	0	2	0—2
Philadelphia	0	1	0—1

1st Period: None. 2d Period: C-Satic 11 (Lemieux, Odgers) 2, C-Krepp 2 (Kisel, Ricci) 3, P-Podejn 3 (Brind'Amour, Svoboda) 3d Period: None. Shots on goal: C- 4-12-7—23. P- 12-10-9—31. Goalies: C-Roy. P-Hedlund.

Toronto	2	0	0—2
Chicago	1	0	0—1

1st Period: T-Korolev 6 (Yushkevich, Clark) 2, T-Sundin 6, 3, C-Shantz 2 (Dubinsky, Chelios) 16:56. 2d Period: None. 3d Period: None. Shots on goal: T- 14-5-4—23, C- 9-8-12—29. Goalies: T-Potvin. C-Hackett.

Boston	1	1	0—2
St. Louis	0	2	2—4

1st Period: B-Gill 1 (Khristich, DiMaio) 2d Period: B-Donato 10 (Allison) 3, St. Louis, Alchemyuan 3 (Pellerin) 4, S.L.-Turcotte 2 (Demitra, Hull) (pp). 3d Period: S.L.-Hull 10 (Demitra, Courtnall). 4, S.L.-Courtnall 8 (Demitra, Hull) Shots on goal: B- 6-5-2—13. S.L.- 10-6-16—32. Goalies: B-Dafoe. S.L.-Fohr.

Montreal	3	1	1—5
Phoenix	1	1	0—2

1st Period: M-Popovic 1 (Savage, Bordeleau) 2, M-Savage 2 (Brunet, Bordeleau) 3, Phoenix, Tocchet 6 (Numminen, Diduck) 4, M-Savage 3 (Malakhov, Guerin) 2d Period: M-Brunet 3 (Thornton) 6, Phoenix, Tocchet 7 (Sobister, Numminen) 3d Period: M-Bureau 2. Shots on goal: M- 7-10-7—24, Phoenix 7-21-9—37. Goalies: M-Thibault, Phoenix, Khabibulin.

Carolina	1	1	2—4
Calgary	0	2	0—2

1st Period: Carolina, Chiasson 2 (Brown, Emerson) (pp). 2d Period: Carolina, Primeau 6 (Kapanen, Chiasson) 3, Calgary, Nylander 2 (Cassels, McCarthy) 4, Calgary Dowd 1 (Huise, Morris) 3d Period: Carolina, Primeau 7 (Dineen, Chiasson) (pp). 6, Carolina, Kapanen 11, (en). Shots on goal: Carolina 5-9-10—24. C- 8-10-14—32. Goalies: Caroline, Burke. C-Roloson.

San Jose	1	0	2—3
Los Angeles	3	1	2—6

1st Period: L.A.-MacLean 5 (Perreault, C.Johnson). 2, L.A. Perreault 13 (Courtnall, C.Johnson) 3, L.A.-Galley 3 (Robitaille, Stumpel) (pp). 4, San Jose, Houlder 4 (Nolan, Friesen) (pp). 2d Period: L.A.-Robitaille 10 (Mogor, Stumpel) 3d Period: S.J.-Gill 6 (Skalde) 7, S.J., Skalde 2 (Matteau, Donovan) 8, L.A.-McKenna 1 (Boucher) 9, L.A.-Perreault 14 (Nieckrom) Shots on goal: S.J.- 8-4-10—22; L.A.- 12-7-9—28. Goalies: S.J.-Hrudey. L.A.-Fiset.

CRICKET

WEST INDIES TOUR

ABDUL QADEER KHAN XI VS. WEST INDIES

4-DAY MATCH, 4TH DAY

FRIDAY IN RAWALPINDI, PAKISTAN

West Indies: 464 and 303-4 declared
Abdul Qadeer Khan XI: 267 and 107-3

West Indies and Pakistan's Abdul Qadeer Khan XI drew their match.

SRI LANKA TOUR

INDIAN BOARD XI VS. SRI LANKA

3-DAY MATCH, 1ST DAY

FRIDAY IN CUTTACK, INDIA

Indian Cricket Board President's XI: 180-7

SOCCER

DUTCH FIRST DIVISION

Groafschap Doelinchem 1, Maastricht 2

SPANISH FIRST DIVISION

Athletic Bilbao 3, Barcelona 0

TENNIS

ATP TOUR WORLD CHAMPIONSHIP

IN HANOVER, GERMANY

RED GROUP

Carlos Moya (7), Spain, def. Thomas Muster (9), Austria, 6-2, 6-3.

Pete Sampras (1), U.S., def. Patrick Rafter (3), Australia, 6-4 6-1.

WHITE GROUP

Jonas Bjorkman (4), Sweden, def. Michael Chang (2), U.S., 6-4, 7-5.

Tim Henman (17), Britain, def. Yevgeny Kafelnikov (6), Russia 6-4, 6-4.

Tim Henman, Britain replaced Sergi Bruguera, Spain, who was injured.

SATURDAY'S SEMIFINALS

Sampras vs. Bjorkman
Moya vs Kafelnikov

TRANSITIONS

BASEBALL

AMERICAN LEAGUE

CHICAGO—Named Tom Spencer manager; Von Joshua hitting coach and Kirk Champion pitching coach for Calgary, PCL. Chris Cron manager of Winston-Salem, CL and Mark Haley manager of Hickory, SAL.

BASKETBALL

NATIONAL BASKETBALL ASSOCIATION

DETROIT—Activated F Charles O'Bannon from injured list.

NEW JERSEY—Put G Lucious Harris on injured list. Activated F Jack Haley from injured list.

HOCKEY

NATIONAL HOCKEY LEAGUE

CALGARY—Assigned RW Erik Andersson to Saint John, AHL.

CAROLINA—Recalled D Nolan Pratt from New Haven, AHL.

DETROIT—Assigned RW Alexandre Jacques to Toledo, ECHL.

EDMONTON—Recalled F Mike Watt, F Joe Hulbig, F Georges Laraque, D Sean Brown and D Ladislav Benysek from Hamilton, AHL. Assigned F Dennis Bonvie, F Steve Kelly and F Jason Bowen to Hamilton.

PITTSBURGH—Assigned D Sven Butenschon to Syracuse, AHL.

ST. LOUIS—Assigned G Rich Parent to Manitoba, IHL.

VANCOUVER—Fired Tom Renney, coach. Named Mike Keenan coach.

THE WEEK AHEAD

Saturday, Nov. 15

GOLF, men: Kiawah Island, South Carolina — World Cup of Golf, to Nov. 15.

GOLF, men, Gotemba, Japan — Sumitomo Visa Taiheiyo Masters, to Nov. 16.

GOLF, men, Thousands Oaks, California — Franklin Templeton Shark Shootout, to Nov. 16. Women, Chaser, Japan — Noen Ladies, to Nov. 16.

RUGBY UNION, test matches: various sites — Ireland vs. New Zealand; England vs. Australia; France v South Africa.

SOCCER, various sites — World Cup European zone play-offs, return leg: Ukraine vs. Croatia; Belgium vs. Ireland; Yugoslavia vs. Hungary; Italy vs. Russia. Friendly internationals: England vs. Cameroon; Germany v South Africa.

SUMO, Fukuoka, Japan — Kyushu Grand Sumo Tournament, to Nov. 23.

TENNIS, men: Hanover, Germany — ATP Tour World Championship, to Nov. 16. Women: Philadelphia — Advanta Championships, to Nov. 16.

TRIATHLON, men, women, Perth, Australia — World Championships, to Nov 16.

Sunday, Nov. 16

SOCCER, various sites — World Cup qualifiers: Uruguay vs. Ecuador; Peru vs. Paraguay; Chile vs. Bolivia; Argentina vs. Colombia; Jamaica vs. Mexico; Costa Rica vs. Canada; United States vs. El Salvador; Japan vs. Iran.

RUGBY LEAGUE, Leeds — Britain vs. Australia, third test.

Monday, Nov. 17

TENNIS, women: New York — WTA TOUR Championships, to Nov. 23; Pattaya City, Thailand — Volvo Women's Open, to Nov. 23. Atlanta, Hartford, Connecticut — ATP Tour World Doubles Championship, to Nov. 23.

CRICKET, Peshawar, Pakistan — Pakistan vs. West Indies, first test, to Nov. 21.

Tuesday, Nov. 18

RUGBY UNION, Huddersfield, England — Emerging England vs. New Zealand; Toulon, France — France A vs. South Africa; Johannesburg, South Africa — inquiry into racial impropriety in South African rugby.

Wednesday, Nov. 19

CRICKET, Mohali, India — India vs. Sri Lanka, first test, to Nov. 23.

BASKETBALL, various sites — EuroLeague championships: Croatia Split vs. Porto; Turk Telecom vs. Benetton Treviso; Estudiantes Madrid vs. PAOK Salonika; AEK Athens vs. Teamsystem Bologna.

SOCCER, New York — venues announced for 1999 Women's World Cup; Palma de Mallorca, Spain — friendly international: Spain vs. Romania.

Thursday, Nov. 20

BASKETBALL, various sites — EuroLeague championship: Maccabi Tel Aviv vs. CSKA Moscow; Limoges vs. Olympiakos; Efes Pilsen vs. Real Madrid. Hapoel Jerusalem vs. Partizan Belgrade. Kinder Bologna vs. Barcelona; Pau Orthez vs. Ulkerspor; Cibona Zagreb vs. Alba Berlin; Olimpija Ljubljana vs. Paris St Germain.

FIGURE SKATING, St. Petersburg, Russia — Cup of Russia, to Nov. 23.

SKIING, Park City, Utah — men, women, Alpine World Cup, giant slalom, slalom to Nov. 23.

GOLF, women: Las Vegas — ITT LPGA Tour Championship, to Nov 23. Men: Kiawah Island, South Carolina — World Cup of Golf, to Nov. 23. Miyazaki, Japan — golf, men, Dunlop Phoenix, to Nov. 23.

CRICKET, Perth, Australia — Australia vs New Zealand, second test, to Nov. 24.

Friday, Nov. 21

AUTO RACING, Chester, England — Network Q RAC Rally, to Nov. 25.

TENNIS, men: Aschaffenburg, Germany — ATP Tour of Champions (Seniors), to Nov. 24.

GOLF, women: Mobaraya, Japan — Daiseishi E Bear Women's Open, to Nov 23.

Saturday, Nov. 8

SOCCER, site to be announced — World Cup qualifier, Asia Oceania playoff, Japan or Iran vs. Australia.

RUGBY UNION, various sites — test matches: France vs. South Africa; England vs. New Zealand; Scotland vs. Australia.

SKIING, Beitostolen, Norway — men, women, Nordic World Cup, cross country, men's 10K classical, 40K classical relay, women's 5K classical, 20K classical relay, to Nov. 23.

Sunday, Nov. 23

ATHLETICS, Lisbon, Portugal — Lisbon Marathon.

SOCCER, Rabat — African Cup Winners' Cup final, first leg, Royal Armed Forces vs. Morocco vs. Etoile Sahel

هكذا من الاصل

Bledsoe Will Bash Bucs

Redskins and Cowboys Gird for Battle

By Mike Freeman
New York Times Service

New England (6-4) at Tampa Bay (7-3) Don't laugh, but this is a possible Super Bowl preview.

For the Patriots, this is a chance to show people that they aren't as soft some think. The Buccaneers have a tough young team with a lot of heart, and quarterback Trent Dilfer is having

NFL Matchups

a career season with 17 touchdown passes. All those Drew Bledsoe bashers heed this: he is still one of the top young quarterbacks in the game. *Prediction: Patriots 17, Buccaneers 14.*

Denver (8-1) at Kansas City (7-3) No way the Chiefs will win with Rich Gannon at quarterback. He is a backup. Period. And you need more than a backup to beat the Broncos at home. Meanwhile, Denver is on a roll. *Broncos 28, Chiefs 14.*

Minnesota (8-2) at Detroit (4-6) John Randle, the Vikings' defensive tackle, is the biggest trash talker in the league — and right now its best defensive player. He leads the conference with 10.5 sacks and is the first tackle in league history with six straight 10-sack seasons. Lions, be still your beating hearts, because here he comes. *Vikings, 31, Lions 21.*

Tennessee (5-5) at Jacksonville (7-3) An intriguing matchup, with Steve McNair, one of the most dangerous weapons in the league, facing a Jaguars defense that continues to improve. What hurts the Oilers is that the Jaguars are 7-0 when running back Natrone Means scores a touchdown. Means will run hard this week. *Jaguars, 24, Oilers 9.*

Cincinnati (3-7) at Pittsburgh (7-3) Boomer Esiason laying down a block last week, looking like Charles Way? Yes, it's true. But it is back to the bench for Boomer, and back onto the field for Jeff Blake. And the Bungles, as they are being called, come back to reality after beating hapless Indianapolis. *Steelers 20, Bengals 0.*

Arizona (2-8) at Giants (6-4) Quarterback Jake Plummer has been named the Cards' starter for the rest of the season, something that not everyone on the team agrees with. Most support his backup, Kent Graham, who lost his starting job to injury. If Graham were starting, the game would be tight. But since he's not, the Giants will win pretty easily. *Giants 17, Cardinals 7.*

Philadelphia (4-6) at Baltimore (4-6) The Ravens are at times a top team, at times more mysterious than the Bermuda Triangle. They beat great teams one week, then get blown out like they did by Pittsburgh last week. But they will rebound against the Eagles, a team looking for an identity and a quarterback. The Eagles are a struggling team right now. The Ravens have the NFL's second best passing attack and they'll outscore the Eagles in a slugfest. *Ravens 17, Eagles 10.*

Green Bay (8-2) at Indianapolis (0-10) No contest here. Of course, Green Bay still has to beat out the Minnesota Vikings to win its division, not a cakewalk by any means. But the Packers know that if they get the home field advantage throughout the playoffs, they will be difficult, if not impossible to beat at Lambeau Field. If Brett Favre continues to play the way he is, it won't matter where the Packers play in the playoffs. The Packers are also getting great production from running back Dorsey Levens, who is on pace for 1,300 yards. *Packers 40, Colts 20.*

Seattle (6-4) at New Orleans (3-7) Mike Ditka, the Saints' coach, has been an amusing sideshow but his antics have drawn attention away from real problems, like no talent at quarterback and a minus-18 turnover ratio. Now here comes Seattle's Warren Moon, who will be 41 years old this week. Moon, a future Hall of Famer, needs just 4 touchdown passes to pass Joe Montana (273) for fourth on the all-time list. He may get them this week. *Seahawks 34, Saints 17.*

Atlanta (2-8) at St. Louis (2-8) At quarterback, the Falcons have Chris Chandler, a solid player who gets hurt a lot. The Rams have Tony Banks, a solid player who messes up a lot. Will Chandler get hurt before Banks throws two interceptions? The bright spot for the Falcons is that running back Jamal Anderson has 534 yards rushing this season. He'll get a few more this week. *Falcons 21, Rams 10.*

Carolina (5-5) at San Francisco (9-1) Don't expect the Panthers to be intimidated by playing at the home of the 49ers, where they are 2-0. The last time Carolina went there, last December, the Panthers won, 30-24. But this is a different Panthers team and no team in the 1990s has won three straight at San Francisco. *49ers 22, Panthers 10.*

Washington (6-4) at Dallas (5-5) If the Cowboys lose this game, their chance of winning their sixth straight division title will crumble. The Redskins need the victory to keep up with the Giants. When running back Terry Allen is healthy, the Redskins are a different team. He has rushed for 340 yards on 93 carries and 6 touchdowns against Dallas in his last four games. He is the edge in a close game. *Redskins 20, Cowboys 19.*

Jets (6-4) at Chicago (1-9) For last week's game against Miami, the Jets coaching staff inserted a new play for Adrian Murrell, and it worked. The running back scampered for a 43-yard touchdown. Is it a sign that the Jets will now get their running game going again? Maybe. They won't get much resistance from the Bears, who are lost at sea with no lifeboats anywhere to be found. *Jets 21, Bears 0.*

Oakland (3-7) at San Diego (4-6) The Raiders are like a neutron bomb — in the right hands they can be deadly. They have three players who have scored at least five touchdowns. Only two other teams, the Broncos and 49ers, can say that. If Joe Bugel can tap that resource, the Raiders will be in the Super Bowl next year. They have their problems, but they should be able to get by the Chargers. *Raiders 28, Chargers 21.*

Buffalo (5-5) at Miami (6-4) Look for the Dolphins to get a lot of momentum from their victory over the Jets last week, especially with this being a home game. There will be a lot of emotion to begin with as the Dolphins will honor their 1972, 17-0 Super Bowl VII championship team. Besides, Miami has won five of its last six at home and six straight home division games. The Bills' Bruce Smith, despite injuries, is still one of the best defensive players in the league. *Dolphins 14, Bills 0.*

Shaq Leads Lakers Past San Antonio

The Associated Press

Round One between Shaquille O'Neal and David Robinson went the Los Angeles Lakers.

The Lakers extended their season-opening victory streak to six games with a 109-100 overtime triumph over the Spurs in San Antonio on Thursday.

The Spurs, whose 6-2 record is the best in the Midwest Division, watched a 10-point fourth-quarter lead slip away behind a tough defensive effort by the

NBA Roundup

Lakers. The Lakers outscored San Antonio 9-2 in the last three and a half minutes of regulation and 13-4 in overtime in the first of four meetings between the teams.

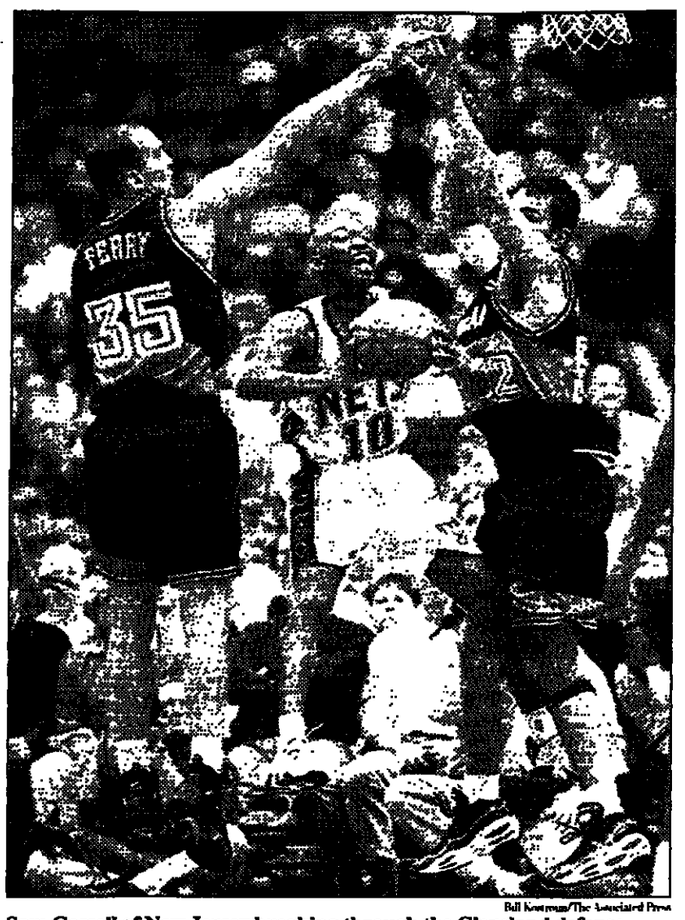
O'Neal came out on top in his personal battle with Robinson for only the third time in eight career meetings between the All-Star centers.

Cavaliers 85, Nets 74 The Nets only had eight players available Thursday night by the end of the game against Cleveland, and despite 32 points from Sam Cassell and a career-high 26 rebounds from Jayson Williams, they lost.

The Nets battled the Cavaliers on virtually even terms until Wesley Person took over at the end of the third period. He scored 8 of his 20 points in a 10-0 spurt that closed the third period, breaking open a close game.

Wizards 91, Timberwolves 88 Rod Strickland scored 6 of his 21 points in overtime, redeeming himself for two missed shots at the end of regulation, as Washington won its fourth road game.

SuperSonics 95, Pistons 89 Gary Payton just missed a triple-double with



Bill Kostroun/The Associated Press

Sam Cassell of New Jersey breaking through the Cleveland defense.

25 points, 9 assists and 9 rebounds and spent much of the night hounding Grant Hill into 6-for-17 shooting and eight turnovers.

Bucks 102, Clippers 94 Glenn Robinson scored 32 points — his third straight game with 30 or more — and Ray Allen had 23 for Milwaukee at Los Angeles.

76ers 99, Mavericks 98 Allen Iverson scored 31 points, including a key 3-pointer with 1:37 left, and Philadelphia handed Dallas its fourth consecutive defeat.

As Jordan Ails, So Ail The Bulls

The Associated Press

DEERFIELD, Illinois — First quarter: Michael Jordan throws a pass away, then shakes his head in disgust. Second quarter: Forced to shoot as the 24-second clock ticks down, Jordan launches an air ball. His shoulders droop.

Third quarter: Trying to escape defender Calbert Cheaney, Jordan dribbles the ball out of bounds. Fourth quarter, game on the line: Jordan's baseline jumper hits the side of the backboard. An anguished look crosses his face.

Jordan (38 percent from the floor) and the Bulls (41.5 percent) are misfiring their way right out of the NBA elite.

"Our offense has always been able to provide Michael space to score, and the other players an opportunity to hit open shots when he's double-teamed," coach Phil Jackson said Thursday, a day after the Bulls fell to 4-4 by losing to Washington. "Right now, what's really frustrating is that he's finding guys off the double-team and we're not making those shots. That is kind of an irritant."

Jordan, off to the worst start of his glorious career, can't help but show his irritation — both at his teammates and himself. He even has said that the two-time defending NBA champions "look like an expansion team."

After dribbling the ball out of bounds in the third quarter Wednesday, a disgusted Jordan pounded the scorer's table with his fist. He also has committed two silly end-of-quarter fouls in the last week, resulting in six points for the opposition. He's averaging nearly three turnovers a game.

As usual, he's trying to carry the team, Jackson said, "and right now he's not shooting well enough to do that."

Rockies' Walker Wins MVP, Giving Canada 3 Awards

By Claire Smith
New York Times Service

NEW YORK — Canada's flag continued to fly high over baseball's postseason awards when Larry Walker of the Colorado Rockies was named the National League's most valuable player by vote of the Baseball Writers Association of America.

On Thursday, Walker became the first Canadian to win an MVP Award in either league.

Earlier this week, the Montreal Expos' Pedro Martinez and the Toronto Blue Jays' Roger Clemens won the 1997 Cy Young Awards, producing a first sweep for Canadian teams in the voting for best pitcher.

Walker, the Rockies' right fielder, was born in British Columbia and is a former Expo. He easily won a contest long expected to be a tight race among himself, Dodgers catcher Mike Piazza and two Houston Astros' stars, first baseman Jeff Bagwell and second baseman Craig Biggio.

"I've done something good for me personally and I've done something good for my country," Walker said. "Maybe kids will look up to me and it will push them to reach for their goals."

Walker, Piazza, Bagwell and Biggio were the only National League players named on every ballot, but Walker won by collecting 22 of the 28 first-place votes by two writers from each league city.

Walker also received three votes each for second and third place, for a total of 359 points. The totals were based on a tabulating system in which 14 points are given for first place, nine points for second, eight for third and on down to one for 10th place.

The fact that Walker was listed no lower than third on any ballot befitted a player who stood at the top of almost

Baseball

every significant offensive category this season. Most impressive were Walker's 409 total bases, which tied the highest total in the major leagues since Stan Musial had 429 in 1948. It was only the 23d time a player had 400 or more total bases and the first time in the league since 1959, when Henry Aaron of the Milwaukee Braves had 409.

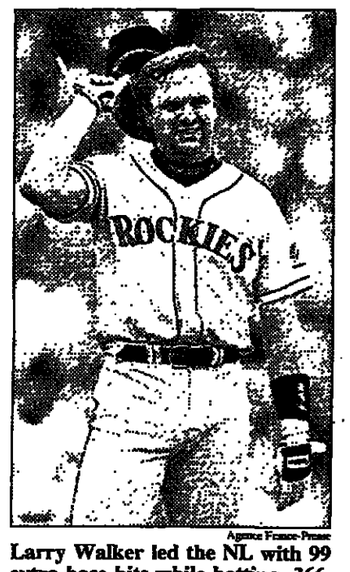
Walker led his league with 99 extra-base hits, including a league-high 49 homers. He also led the league in on-base percentage (.452) and slugging (.720), and he finished second in batting (.366), hits (208), multihit games (65) and runs scored (143). The multifaceted Walker also ranked among the league leaders in stolen bases (33), and his 13 outfield assists led to a third straight Gold Glove. He drove in 130 runs to finish third in the league.

Perhaps the biggest boost he received was his ability to convince the voters that his numbers were not solely the product of the offense-friendly thin air of Denver, which is at an altitude of 5,280 feet, or about 1,600 meters. Walker hit .346 away from Coors Field, with 29 homers and 62 runs batted in over 75 games.

"Just day after day, I sometimes shocked myself at what I was doing," Walker said. "I'd go home at night or to the hotel room and say: 'I did that again? This is fun!' "

Piazza, a .366 batter who hit 40 home runs and drove in 124 runs, finished second for the second successive year; last year he was behind the Padres' Ken Caminiti.

Piazza received three votes for first place, 22 for second, two for third and one for fourth, giving him 263 points. The three other first-place votes went to Bagwell, the league's MVP in 1994, who hit .286 with 43 homers and 135 RBIs last season. He had 233 points. Biggio (.309, 22 homers, 81 RBIs, 47 steals) finished fourth, with 157 points.



Agence France-Presse

Larry Walker led the NL with 99 extra-base hits while batting .366.

■ Salaries Pass $1 Billion

Murray Chass of the New York Times reported from Scottsdale, Arizona:

Baseball's general managers, opening their annual fall meetings, received a painful reminder: a salary report that listed just how much they spent on their players this year.

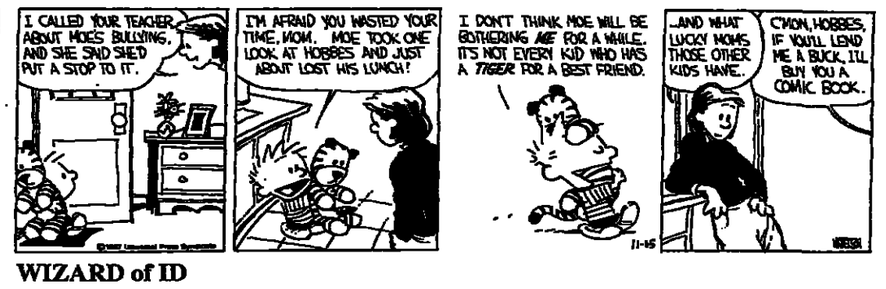
They spent $1,085,010,952, which was 18.7 percent more than they spent last year and put them over the $1 billion mark for the first time. The New York Yankees spent the most ($64,989,577).

The average salary was a record $1,313,572, up from $1,101,452 last year. Albert Belle of the Chicago White Sox had the highest salary, $10 million.

DENNIS THE MENACE

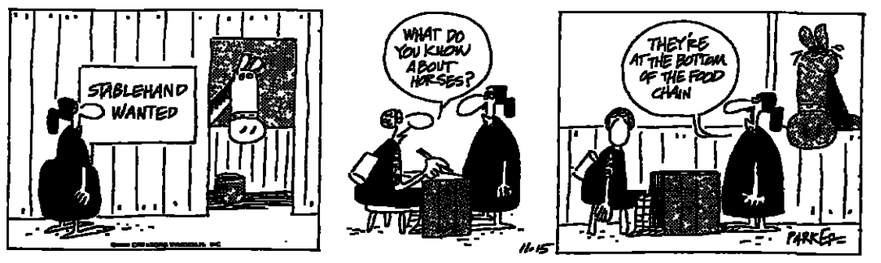
PEANUTS

CALVIN AND HOBBES

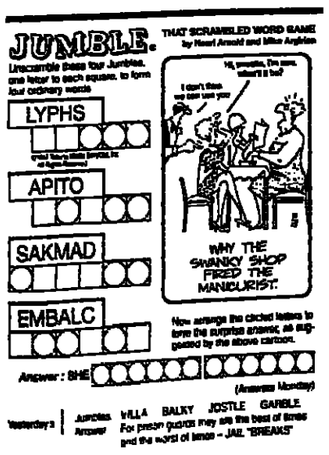


GARFIELD

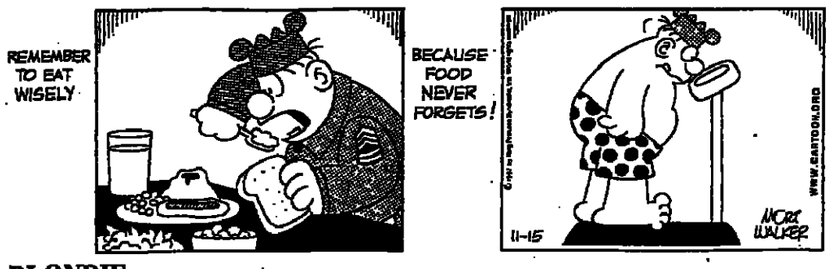
WIZARD of ID



JUMBLE



BEETLE BAILEY



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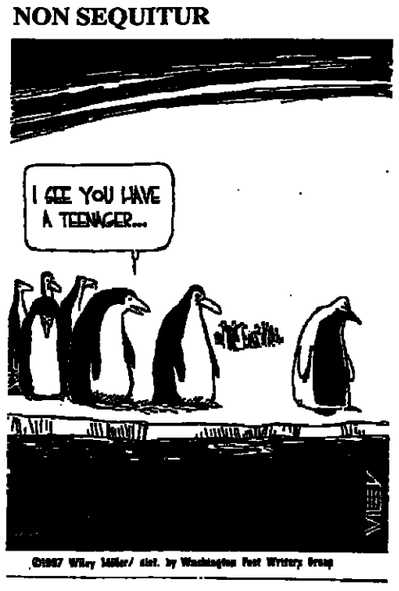

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DAVE BARRY

Cutting the Mustard on Tests

MIAMI — Should American schoolchildren be given standardized national educational tests? I believe they should, and I will tell you exactly why: because I am not a schoolchild. I am strongly in favor of things that I, personally, do not have to do. Childbirth is another example.

The national testing program was proposed by President Clinton, who has been proposing new programs as fast as he can think them up, because he desperately wants to be remembered by posterity for some achievement other than being investigated and jogging around in shorts the size of a wedding tent. Another program that he proposed recently was an urgent federal campaign against — I am not making this up — the threat of foreign vegetables. I think this issue could be a big winner, posterity-wise. I can picture a scene in Washington, D.C., decades from now, wherein hundreds of thousands of grateful Americans gather to dedicate a majestic monument, comparable in size to the ones for Washington, Jefferson and Lincoln, consisting of a statue of President Clinton heroically confronting a menacing statue of an imported rutabaga.

But getting back to the issue of requiring students to take standardized national tests: I truly believe that it would provide great benefits to the nation. For example, if I drove past some students who were walking to school, looking young and carefree and thin and healthy, I could roll down my window, pound my horn and shout: "Perhaps I am old and flabby, and perhaps I could weave a medium-sized area rug from just one month's growth of my nose hairs, but at least I DON'T HAVE TO TAKE A STANDARDIZED NATIONAL TEST HA HA HA!" Then I could drive off, whimpering, because I have arthritis and my hands hurt when I pound things.

So national testing is a fine idea. The question is: What should the questions be? I have given this issue a great deal of thought (O.K., technically I have not thought about it yet but I plan to do so just as soon as we get out of these parentheses) and it is my considered opinion that the questions should test the students' grasp of the five basic academic disciplines: English, Mathematics, Science, History and Condiments.

I include this last discipline because recently I attended a college football game, and I purchased a hot dog (NOTE TO MY DOCTOR: I did not eat this hot dog; I just like to hold a hot dog at sporting events) and while I was waiting in line at the condiments station, shuffling my feet to keep them from becoming permanently bonded to the thick layer of high-adhesive condiment goo that had been building on the stadium floor since the Truman administration, I noticed that the young man in front of me was covering his hot dog with mayonnaise. And I thought: "Our educational system has failed this young man! Standardized national testing could have prevented this!" So here is my proposed Standardized National Education Test:

CONDIMENTS SECTION

1. What goes on a hot dog?

a. Mustard.

2. What is it O.K. to put mayonnaise on?

a. A turkey sandwich.

b. The seat of the fan in front of you at the football game whose automatic response to everything that happens on the field, including spitting, is to stand up, so that you're basically paying to see a panoramic view of his butt.

SCIENCE SECTION

1. Why do some people take astrology seriously?

a. Because they have unusually small brains.

b. Because thousands of years of human experience have proved to us, beyond a reasonable doubt, that no matter what so-called "scientists" say, the positions of the stars in the heavens at exactly the moment of your birth can, in fact, dramatically influence the course of your life, if you have an unusually small brain.

2. What is the smallest unit of matter?

a. The molecule.

b. The atom.

c. The amount of mustard they put in those damned condiment packets that you have to open with your teeth.

HISTORY AND MATHEMATICS SECTION

If Abraham Lincoln is writing the Declaration of Independence at 20 words per minute on a train traveling west from San Francisco, and at exactly the same time Franklin Delano (Teddy) Roosevelt is forming the National League of Nations on a train traveling east from Boston, what should they put on their hot dogs?

a. Mustard.

b. And they had better do it quickly, before their trains hit the ocean.

ENGLISH SECTION

Write an 800-word essay in English about an important political or social issue such as national educational testing without saying a single intelligible thing about it.

Extra credit: Make repeated references to mustard.

BONUS EARL SECTION

1. Whatever happened to Earl, the suspected snake egg that you received for your 50th birthday?

a. Earl is fine and continues to be a wonderful pet in the sense of not hatching.

b. But he is starting to smell funny.

Let's hear it for reading, writing, math and condiments!

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Bernadette Lafont: Unwinding the Reels

By Katherine Knorr
International Herald Tribune

PARIS — Bernadette Lafont, one of France's most original actresses, embodies many of the contradictions of French film since the war. She is both sexy and rather plain, ditsy ebullient and quite serious, tremendously creative and yet limited by her very Frenchness in a world dominated by the Hollywood movie machine.

Famously associated with New Wave directors, Lafont has in a tumultuous life done a bit of everything, from television movies to the stage, never quite the megastar but always a strong presence, smart and messed up all at the same time, as she cheerfully recounts in her recently published autobiography.

"When an actress tells her life, it's a little like unwinding the reels of a movie," she says in "Le roman de ma vie," just out from Flammarion. "After 50 it gets to be a mighty long feature. My work is the motor of my existence. My opium, my cocaine, my Prozac." It's a breezy on-screen life, with many of the clichés of the genre, that is nevertheless compellingly readable and tells some tough stories, like the death of her youngest child. The voice is very much Lafont's mixture of brassiness and wisdom, and the humor is pleasantly self-deprecating, right down to the classic anecdote about the newspaper captions being switched when local girl first made good, so that a quite handsome mule was described as Lafont making her movie debut.

More importantly, the book tells the story of the New Wave from the perspective of a rage-to-live teenager in the southern city of Nimes (an accent strong as *aioli*, she has said) with dreams of Hollywood, an eye for the guys, and the French provincial blues. After dancing classes that didn't lead to a career, she stumbled into the movies by chasing the handsome and jealous actor who would become her first husband, Gerard Blain. Lafont, now 59, turned out to be in the right place at the right time to catch the wave with a group of young filmmakers who would revolutionize movies.

"It wasn't a choice, I was too young for that," she says now, a surprisingly young face, unmade up and very much offstage in her apartment in the Marais. "It was luck to be part of this movement with other young people who had not been movie assistants, as I had not taken acting classes, who had not climbed the steps of the hierarchy to make their first movie." Everything was fresh, improvised, at a time when technical film improvements changed the way movies could be made. Lafont herself was earthy and sexy, both spontaneous and painfully mimicking Hollywood actresses as only a kid can do it.

She made her debut in 1957, in "Les Mistons" by Francois Truffaut and Claude Chabrol's "Le Beau Serge," over the misgivings of Blain (Could this marriage be saved? No way), and never looked back. Over years punctuated by some fallow periods, she has appeared in dozens of movies, notably "La Fiancée du pirate" (Nelly Kaplan), "Une belle fille comme moi" (Truffaut), "La Maman et la putain," (Jean Eustache), or in more recent years Chabrol's "Masques," Marion Vernoux's "Personne ne m'aime" ("Thelma and Louise" the French way) and Raoul Ruiz's "Genealogie d'un crime."

At a time when the French movie industry struggles between good movies that don't travel well, and attempts to create a kind of multicultural movie, shot in English and coming from nowhere, Lafont's autobiography is a reminder of the extraordinary international impact French filmmakers had not so very long ago. She herself is also the symbol of the endurance of a certain genius, that mixture of intellect, sensuality and humor that has been the key to much French theatrical literature in this century.

The late 1950s were a hell of a time to be young and in the movies, although quite how special wasn't immediately obvious to Lafont. "I have marvelous memories because, after all, you generally have good memories of being young, and I was doing something that I had dreamed of doing," she said. "But I was a little disappointed in the beginning. We filmed 'Les Mistons' in my house. I was called Bernadette and my husband was called Gerard. It wasn't Hollywood. 'Le Beau Serge' was the same way. We filmed it in Chabrol's province, I came from the provinces. . . . I remember how happy I was when Chabrol said we were going to work in a studio. Now that was it! And in color! Now we're really going to make movies!"

Although much of Lafont's book is cheerful and funny, hers has not always been an easy life. She tells the story of her great passion for Diourka Medveczky, a Hungarian sculptor of great charm and great appetites, with whom she had three children and lived for a time a back-to-the-land life.

The marriage was difficult from the start. He took to heavy drinking and womanizing, not a particularly unusual story except that he eventually became a reclusive, a lunatic or a visionary depending on your point of view — as Lafont puts it, he committed social suicide. That he had become a sort of old man on the mountain was made painfully public in 1988 along with other aspects of Lafont's life, when their youngest daughter, Pauline, a budding actress, went for a walk near the family property in the Cevennes and never returned.

For many terrible weeks, police searched and the popular press went on a feeding frenzy. When Pauline's body was found, where she had fallen in the rough, lonely terrain, a photographer tried to sell a picture. Lafont is now mostly philosophical about all this, though she does say with dark irony that when she started out, she had wanted to make the cover of Paris Match to please her pharmacist father. Unfortunately, she made it, with Pauline.

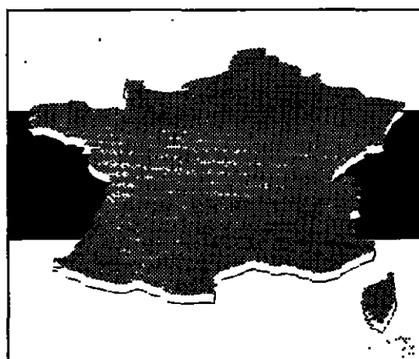
Lafont's book is also a distant mirror. "People say when they look at the book, it's not the same France, that is a France that is disappearing," Lafont says. And movies reflect that, for better and for worse. Among the new generation of filmmakers are many women, and they and young male directors offer glimpses of a country influenced both by the influx of immigrants from Africa, and by the lava of American popular culture. Although Lafont admires many of the young directors, she has misgivings about some of the trends, notably the powerful influence of advertising and television, which in some cases means "a lot of form, but not much substance," she says. "Luckily not everybody is like that. There are people who are making movies with stories without being old-fashioned, because you are by definition modern when you belong to your time. It's something of a false problem, the idea of modernity."

Lafont regrets the stranglehold of the distribution companies, and the disappearance of art movie houses. Among the last, the Entrepot in the 14th arrondissement has said it will suspend activities at the end of the year, and the Accatone in the 5th is in danger. At the Accatone, Lafont is presiding over a six-week cycle of movies, her own and many others from other the world, and using the occasion to appeal for the survival of independent houses. Among the activities is an homage to Shirley Clarke on Nov. 18, evidence of the ties that bind French and American cinema, despite the better publicized economic wars. "That's what's beautiful in the movies," Lafont said. "Without American cinema, there would never have been 'Breathless,' but without the New Wave a lot of American movies wouldn't have been made. It is beautiful that there is that kind of back and forth."

Still, she says, "You have to maintain your identity. The reality today is that young French stars have to try Hollywood, and the best go there. But there are in the United States so many marvelous actors and actresses, they don't need us. There was Maurice Chevalier, everyone knows he inspired Fred Astaire, but you also have to say that the New Wave without American cinema doesn't exist. What is unfortunate, is this sense of competition. We want to compete, but what are we doing with skyscrapers here? They're marvelous in Australia, in the United States, but here they don't work."

Francoise Hugier/Rapho

Lafont's voice is a mixture of brassiness and wisdom.



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PEOPLE

IN the latest episode of the Spice Girls' worst week since hitting the world of entertainment, Britain's pop sensations were booed on stage at a Barcelona concert. The five got the thumbs down from a crowd of previously enthusiastic fans after refusing to allow press photographers to take pictures of them while they were performing at a Spanish music awards ceremony. The group, who said it was a stipulation in their contract, came on stage late because of the incident to be met by boos that continued through the rest of their act. After a year that saw the Spice Girls rocket to the top of the charts from nowhere, this week has been all sour grapes, with British bookmakers now taking bets on a bust-up. After a less than rapturous reception for their latest album, tales of a falling-out and reports that **Emma Bunton** — **Baby Spice** — had an affair with their dismissed manager, bookies are rubbing their hands. Bunton, by odds of five to one, seems the likeliest to jump ship first, the bookies say. "We were inundated with people wanting to bet on Emma and we've had to close the book," one said.

□

The Los Angeles County Board of Supervisors has agreed to name Los Angeles International Airport after **James Stewart**, although the name change still must be approved by the City Council, the mayor and the Airport Commission. Supervisor **Michael Antonovich** said the renaming would put Los Angeles "in line with other major communities that have named airports after notable citizens." There already is an airport — albeit a small one — named after Stewart. His hometown of Indiana, Pennsylvania, named its airport for the local hero in 1959.

□

The movie director and actor **Quentin Tarantino** will make his Broadway debut next spring in an updated revival of the thriller "Wait Until Dark," playing Roat, the psychopath who terrorizes Susy, a blind housewife, who may be played by **Marisa Tomei**. In the original 1966 production of the thriller, **Robert Duvall** played Roat to **Lee Remick**'s Susy; **Alan Arkin** and **Audrey Hepburn** starred in the 1967 film.

□

Prince Charles celebrated his 49th birthday on Friday with a last lunch on the royal yacht Britannia before it leaves London for its final sail to Portsmouth to be decommissioned. His evening was reserved for a reception at Windsor Castle marking the end of repairs to the royal dwelling after a fire in 1992.

□

Rosie O'Donnell's nest is a little more crowded with the addition of **Chelsea Belle**, her second adopted child. The baby was born Sept. 20. Single-mom O'Donnell announced the adoption on her morning television talk show. O'Donnell also has an adopted son, 2-year-old **Parker**.

□

British politics is about to lose one of its most familiar features. **Humphrey**, the cat that hangs out at No. 10 Downing Street residence, is retiring. A vet advised that Humphrey, a former stray who is thought to be 11 years old, was suffering from a kidney complaint, had gone off his food and needed a quieter home in the suburbs.

□

Julia Roberts has been released from a hospital, after having recovered from the flu. "She went to a doctor on Sunday with a fever and flu-like symptoms," said a spokeswoman, **Nancy Seltzer**. "Knowing she had a few days off, her doctor kept her in a hospital as a precaution." Newspapers had reported that Roberts had viral pneumonia, but Seltzer insisted it was only the flu. "She's fine. She's feeling much better," Seltzer said. "It's nothing for people to worry about."

□

Frank Sinatra is doing Thanksgiving his way — with Italian antipasto turkey stuffing. "My husband is Italian head-to-toe and our Thanksgiving table always has a good representation of dishes he particularly enjoys," his wife, **Barbara**, said. You can look it up yourself in "Sinatra Celebrity Cookbook — Barbara, Frank & Friends," whose proceeds go to charity.

Gustau Nacarino/Reuters

SIGNATURE GUITAR — Brian May of Queen signing a guitar in Barcelona after the release of the group's new album, "Queen Rocks."

Will Someone Dim That Lamp? Gaffes at the Opera

By Tim Page
Washington Post Service

WASHINGTON — English surtitles may have increased understanding for opera-goers, but now and then something goes wrong — as it did in Gounod's "Romeo et Juliette" at the Washington Opera.

In Act 1, during a scene between Gertrude and Mercutio, an urgent message flashed across the screen: "Your lamp has been running for 750 hours and it will damage the projector. You must change the lamp."

The audience roared, but the director, Giancarlo del Monaco, was said to be furious. Catheryn Dowd, the surtitle coordinator, confirmed the incident.

"At least it's not as bad as what happened last season in one of the final performances of 'La Boheme,' " she said.

A battery-powered computer was producing the surtitles, and "in the final act, as you know, Mimi lies dying in her garret and she begs Rodolfo not to leave her. And the next line that crossed the screen was Rodolfo singing: 'Your battery is running low and your screen has been dimmed.'

"Of course, the audience thought this was hysterically funny," Dowd said. "I didn't. I went back to apologize to the conductor [Daniel Oren], who had been very upset.

"After I explained, he started to laugh himself. He is a vigorous conductor and, as it turned out, his yarmulke had flown off into the audience at just that moment, and he had thought the joke was on him."

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